



City of San Antonio

Agenda Memorandum

File Number:18-3240

Agenda Item Number: 12.

Agenda Date: 6/14/2018

In Control: City Council A Session

DEPARTMENT: Transportation & Capital Improvements

DEPARTMENT HEAD: Mike Frisbie

COUNCIL DISTRICTS IMPACTED: ExtraTerritorial Jurisdiction (ETJ), Medina County

SUBJECT: Disposition: SAWS Sale of (former BexarMet) Surplus Property

SUMMARY:

An ordinance authorizing the declaration as surplus and disposition of a 0.579 acre tract of real property located in Medina County, and its water distribution system (including pipes, an Edwards water well and one 200,000 gallon ground storage tank) as requested by San Antonio Water System (SAWS) and authorized for disposal by the SAWS Board of Trustees through Resolution 18-077 dated March 6, 2018.

BACKGROUND INFORMATION:

Ratepayers voted to dissolve BexarMet and consolidate it into the San Antonio Water System (SAWS) during the November 2011 election. The U.S. Department of Justice cleared the election results in January 2012, to allow the dissolution of the utility. BexarMet assets and liabilities were transferred to SAWS. SAWS real estate department identified and evaluated the former BexarMet interests and determined some of the property interests are not necessary for the operation of the system.

The subject property and water distribution system was a former BexarMet asset and is not within the SAWS' master plan. Since the subject property and water distribution system is separate from SAWS' other infrastructure, it is expensive to maintain (capital, operating and maintenance) and is not necessary for the operation of the SAWS' system. The SAWS Board of Trustees declared the property as surplus to the system and authorized disposal of the property through Resolution 18-077 dated March 6, 2018. City departments and CPS Energy reviewed the request and had no opposition to dispose of (sell) the property.

If the sale is authorized, SAWS will follow all Local Government Codes and the Texas Water Code to properly advertise and dispose of the subject property and distribution system to a licensed and reputable water provider. SAWS will also follow user notification procedures prescribed by the Public Utility Commission of Texas and the Texas Water Code.

The City of San Antonio's Planning Commission recommended approval of this request at its regular meeting on May 23, 2018.

ISSUE:

This ordinance will authorize the declaration as surplus and disposition of a 0.579 acre tract of real property located in Medina County, and its water distribution system (including pipes, an Edwards water well and one 200,000 gallon ground storage tank) as requested by SAWS and authorized for disposal by the SAWS Board of Trustees through Resolution 18-077 dated March 6, 2018.

The subject property and distribution system was a former BexarMet asset and is not within SAWS' master plan. Since the subject property and water distribution system is separate from SAWS' other infrastructure, it is expensive to maintain (capital, operating and maintenance) and is not necessary for the operation of the SAWS' system. The SAWS Board of Trustees declared the property as surplus to the system and authorized disposal of the property through Resolution 18-077 dated March 6, 2018. City departments and CPS Energy reviewed the request and had no opposition to dispose of (sell) the property.

If the sale is authorized, SAWS will follow all Local Government Codes and the Texas Water Code to properly advertise and dispose of the subject property and water distribution system to a licensed and reputable water provider. SAWS will also follow user notification procedures prescribed by the Public Utility Commission of Texas and the Texas Water Code.

Following advertisement for sale to qualified retail water providers, SAWS will evaluate all respondents on the basis of their offered price for the property, their qualifications as a retail water provider and their proposed rate structure. The transfer of the system will require the approval of the Public Utility Commission.

Once the subject property and related system is transferred to a qualified water provider, such provider's rates will be subject to the jurisdiction of the new entity and Public Utility Commission regulations.

ALTERNATIVES:

City Council could choose not to approve this request, however that would prevent SAWS from disposing of property that is no longer necessary for the operation of the Water System and would require SAWS to continue maintaining the property and related service. It is SAWS' intention to sell the property to a retail water provider.

FISCAL IMPACT:

There is no fiscal impact to the City related to the sale of the surplus property. All revenue associated with the sale of property will go to SAWS who owns and controls the subject property and water distribution system.

RECOMMENDATION:

Staff recommends approval of this request allowing SAWS to dispose of a 0.579 acre tract of real property located in Medina County, and its water distribution system, contingent on SAWS following all Local Government Codes and the Texas Water Code to properly advertise and dispose of the subject property and water distribution system to a licensed and reputable water provider and following user notification procedures prescribed by the Public Utility Commission of Texas and the Texas Water Code.

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