



CITY COUNCIL COMMUNICATION

April 10, 2012

SUBJECT: Authorize the City Manager to Negotiate and Execute a Water Use and License Agreement.

SUBMITTED BY: Gary McKamie, City Manager

REFERENCE NO:

ACTION REQUESTED:

Authorize the City Manager to negotiate and execute a Water Use and License Agreement with Chesapeake Operating, Inc. for the use of a portion of the property being part of the Texas Star Addition, Block B, Lot 1, & House, Kitty Survey, A 678 TR 3D, Euless, Texas 76040 (Texas Star Golf Course) for the purchase and transportation of water.

ALTERNATIVES:

- Deny Request

SUMMARY OF SUBJECT:

This proposed Water Use and License Agreement would stipulate the terms necessary for the use of portions of the property being part of the Texas Star Addition, Block B, Lot 1, & House, Kitty Survey, A 678 TR 3D, Euless, Texas, (Texas Star Golf Course). Chesapeake Operating, Inc. (COI) desires to purchase and transport water from the existing irrigation holding pond located on the property for drilling and fracture stimulation operations on the proposed gas wells located at the Mims Pad Site. Chesapeake will pay the full water rates in effect at the time of purchase.

Staff recommends that Council authorize the City Manager to negotiate and execute such an agreement.

SUPPORTING DOCUMENTS:

- Draft Water Use and License Agreement by and between Chesapeake Operating, Inc. and The City of Euless, Texas.

APPROVED BY:

_____ **LG** _____ City Manager's Office

_____ **KS** _____ City Secretary's Office