

MEMORANDUM

To: Mayor and City Council Members
Steve Parker, City Manager

From: Sam Aguirre, City Attorney

Subject: Amendment to Water Service Area Transfer Agreement: Item No. 23-135

Date: March 21, 2023

- The City and Springs Hill Water Supply Corporation are parties to a Water Service Area Transfer Agreement executed on October 25, 2022 (the “Agreement”), contemplating the sale and transfer of an approximately 9,477-acre portion of Springs Hill’s water Certificate of Convenience and Necessity (“CCN”) No. 10666 and Transfer Infrastructure, as defined in the Agreement, to Seguin’s water CCN No. 10698.
- The sale and transfer under the Agreement are subject to approval of the Public Utilities Commission. Both parties are required to submit applications to the Commission to seek such approval. However, before applications are submitted, certain amendments to the Agreement are needed as mentioned below.
- Portions of Springs Hill’s water CCN No. 10666 have been decertified by landowners under Texas Water Code § 13.2541 since the Agreement was executed thus modifying the boundaries of the area to be transferred under the Agreement.
- The City and Springs Hill need to amend the Agreement to revise the total acreage to be transferred to reflect the decertifications.
- The City and Springs Hill staff also recommend clarifying the City’s authority to serve the area around Link Road, and authorizing non-substantive mapping changes that may be requested by the Public Utility Commission.
- Upon approval of the amendments to the Agreement, the City and Springs Hill will submit their respective applications to obtain the Commission’s approval of the sale and transfer of a portion of Springs Hill’s water service area. This sale and transfer will facilitate development in areas of the City for which water service has been lagging and will also add new water customers and associated revenues.