

GVEC

October 28, 2024

**Tim Howe
City of Seguin
P.O. Box 591
Seguin, TX 782156**

Dear Tim Howe,

Subject: System Improvements to serve the City of Seguin “Geronimo Creek WWTP”

This letter outlines the necessary system improvements that are required to serve the increased load requirements for the Geronimo Creek WWTP expansion located at 415 Seitz Road, Seguin, TX 78155. After much review it was determined the plant would be best served from our Meadow Lake substation from a cost and capacity perspective. This letter outlines our commitment to delivering reliable electric service and sets forth the expectations for beginning the process of integrating a new large load into our system.

Service Guarantee:

Across its system, GVEC provides reliable electric service that meets or exceeds industry standards.

Process Expectations:

1. **Initial Consultation:** Our team will meet with your representatives to discuss the specific needs of your project, including load requirements, timelines, and any special considerations.
2. **Assessment and Planning:** We will conduct a thorough assessment of the current infrastructure and determine any upgrades or expansions necessary to support your project.
3. **Agreement on Terms:** GVEC will outline the terms of service, including pricing, rate structure, and any other pertinent details.

4. **Implementation and Payment Schedule:** A detailed schedule will be provided, outlining the key milestones, payment amounts and expected completion dates for each phase of the project.
5. **Energization and True-Up:** Upon completion of the necessary infrastructure work, a final inspection will be conducted to ensure that all systems are operational and meet the agreed-upon specifications prior to energization, along with a project True-Up.
6. **Implementation and Payment Schedule:** A detailed schedule will be provided, outlining the key milestones, payment amounts and expected completion dates for each phase of the project.
7. **Energization and True-Up:** Upon completion of the necessary infrastructure work, a final inspection will be conducted to ensure that all systems are operational and meet the agreed-upon specifications prior to energization, along with a project True-Up.

Payment Details: The cost to the City of Seguin for the system improvements necessary to serve your facility expansion is approximately **\$719,000**, this cost estimate includes staking, material, labor and voltage conversions. Please note that there will be a true-up due prior to energization that could result in funds owed to you or additional funds required. The costs outlined in this agreement do not include the transformers, material and labor for the distribution portion of the project, in which case a GVEC ROI credit would be applicable. If you elect to make payments GVEC requires a 40% down payment to procure materials, and an additional 30% is due upon receiving material/scheduling/deployment of work and the final 30% is due prior to energization.

We understand the importance of this project to your company and are committed to providing the support you need to make it a success. Our team is ready to begin the process at your earliest convenience. Please sign and return a copy of this letter as a formal acceptance of the terms outlined herein. Should you have any questions or require further clarification, do not hesitate to contact us.

Thank you for choosing GVEC as your electric service provider.

Sincerely,

Desti Galicia
Commercial Accounts Manager
GVEC
830.386.4415