

It's real.

TO: Mayor and City Council Members;
Steve Parker, City Manager

FROM: Mark Kennedy, City Attorney

SUBJECT: Recommendation for Authorization to Execute Letter Agreement Concerning Consent to Retail Water Service to 68.101-Acre Property Located at Highway 123 and Timmerman Road

DATE: August 5, 2025

Historical Background

A 68.101-acre tract of land, identified as the Morales Tract (Guadalupe Appraisal District Property ID 52343), is located at Highway 123 and Timmerman Road. This property's water Certificate of Convenience and Necessity (CCN) boundaries are split, with portions falling within Springs Hill Special Utility District's (the "District") water CCN No. 10666 and other portions within the City of Seguin's (the "City") water CCN No. 10698.

Discussions have occurred between the District and the City regarding the provision of retail water service to the entire Morales Tract by the City, which is understood to be desired by the property owner and/or developer. In an effort to facilitate this and maintain cooperation, the District has proposed a Letter Agreement outlining their consent to the City providing retail water service to the entire tract.

Action Requested

The proposed Letter Agreement outlines the District's consent to the City providing retail water service to the entire 68.101-acre Morales Tract, including the areas currently within the District's water CCN No. 10666. This consent is contingent upon the City providing continuous and adequate retail water service. The Agreement becomes effective upon the date it is last signed by both parties.

Authorization for the City Manager to execute this Letter Agreement will formalize the District's consent and establish the framework for water service provision to the Morales Tract.

Procurement Methodology & Funding Source

This Letter Agreement is a consent agreement and does not involve a direct procurement of goods or services at the time of execution. Therefore, there is no immediate direct fiscal impact associated with the authorization to execute this agreement.

Staff Recommendation

Staff recommends the approval of the authorization for the City Manager to execute the Letter Agreement Concerning Consent to Retail Water Service to the 68.101-Acre Property Located at Highway 123 and Timmerman Road.

ATTACHMENT

1. Letter Agreement Concerning Consent to Retail Water Service to 68.101-Acre Property Located at Highway 123 and Timmerman Road