

# Memorandum

To: Mayor and City Council Members  
Douglas G. Faseler, City Manager

From: Rick Cortes  
Assistant City Manager

Re: Proposed Rio Nogales Power Plant Potable Water & Wastewater Increase

Date: July 31, 2015

Staff is recommending an increase to both the Rio Nogales potable water and wastewater rates for Fiscal Year 2015-16. Please note that the Water supply and Wastewater Requirements Agreement between the City of Seguin and the Rio Nogales Power Plant (RNPP) provides for the City to increase the potable water rates up to 10% annually. The current potable water rate for Rio Nogales is project to increase from \$2.81/1000 gals to \$2.98/1000 gals. This increase is based on the recently completed Water/Wastewater Study conducted by Dan Jackson with WILLDAN/Economists.com.

The same agreement also allows for the increase in Industrial Wastewater fees; based on this allowance, staff is recommending the Rio Nogales Wastewater fee increase from:

	<u>Current</u>	<u>Proposed</u>
8,000,000/Treated	\$3.10/1000	\$3.45/1000
8,000,001/Treated	\$2.40/1000	\$2.65/1000

This recommendation is also based on the recently completed Water/Wastewater Study conducted by Dan Jackson with WILLDAN/Economists.com.

If approved, the attached amendment to the agreement will be executed. Staff recommends approval and will be available for questions at the Tuesday, August 4, 2015 City Council Meeting.

Cc: Susan Caddell  
Leann Wilkerson  
Andrew Quittner  
File