



AMENDMENT TO WATER SUPPLY AND WASTEWATER REQUIREMENTS AGREEMENT

The City of San Antonio, acting by and through City Public Service Board (“**CPS Energy**”) and the City of Seguin, Texas (“**City of Seguin**”) are parties to that certain Water Supply and Wastewater Requirements Agreement dated May 30, 2001 and any subsequent amendments thereto, including ten previous amendments (collectively, the “**Contract**”). CPS Energy and the City of Seguin mutually desire to modify the Contract to extend the term of the Contract and to modify the rates for water supply through the extended term, as set forth in this Amendment (the “**Amendment**”).

Capitalized terms used, but not defined, herein shall have the meaning provided to them in the Contract.

WHEREAS, pursuant to the Contract, CPS Energy purchases potable and Treated Effluent Water from the City of Seguin to operate the Rio Nogales Power Plant;

WHEREAS, the City of Seguin provides Treated Effluent Water to CPS Energy from the City of Seguin’s Walnut Branch Wastewater Treatment Plant;

WHEREAS, in 2020, the City of Seguin informed CPS Energy that it plans to decommission the Walnut Branch Wastewater Treatment Plant sometime in 2024 or 2025;

WHEREAS, the City of Seguin offered that following the closure of the Walnut Branch Wastewater Treatment Plant, it would provide potable water volumes to replace the Treated Effluent Water volumes used at the Rio Nogales Power Plant; and

WHEREAS, the parties have agreed to certain new rates for replacement potable water.

NOW THEREFORE in consideration of the good and valuable mutual promises and other consideration described herein, the sufficiency of which is hereby acknowledged, the City of Seguin and CPS Energy agree to modify the Contract as follows:

1. The Contract is amended as follows:
 - a. The CPS Energy Field Representative set forth in Purchase Order 2141647 shall be updated as follows:

All Services shall be coordinated with CPS Energy Field Representative, Gary Hons, who may be reached at 210-353-8934, GWHons@cpsenergy.com.

- b. Effective the earlier of either October 1, 2024 or the date Treated Effluent Water is no longer available at the Walnut Branch Wastewater Treatment Plant (as notified in writing by the City of Seguin to CPS Energy) (either date referred to as the



“Potable Water Effective Date”), the Contract shall reflect potable water rates and volumes that replace Treated Effluent Water rates and volumes.

i. Article II, Section 2.2(a) shall be amended to add the following:

“(6) Replacement Potable Water (defined herein).”

ii. Article II, Section 2.2(b) shall be amended to add the following:

“(b)(ii) Preference for Replacement Potable Water. “**Replacement Potable Water**” is defined as potable water supplied from the City of Seguin not to exceed 220,000,000/gallons per annum. Replacement Potable Water shall be provided in lieu of any Effluent Treated Water provided under the Contract. The City shall supply Rio Nogales with Replacement Potable Water to the greatest extent practicable. Rio Nogales shall be responsible for providing any storage or other measures, as it deems necessary, in order to take maximum advantage of the Replacement Potable Water made available by the City. The amount of Replacement Potable Water stated above shall not be considered additional to the Maximum Daily Quantity required under this Agreement.

iii. Article VI, Section 6.2(b) shall be amended by adding the following:

“(7) Quantity Charge for Replacement Potable Water. The Quantity Charge for Replacement Potable Water shall be equal to the volume of Replacement Potable Water delivered to and used by Rio Nogales during the calendar month multiplied by the applicable rate for Replacement Potable Water. The rates for Replacement Potable Water shall be as follows, which shall apply during any Contract extension pursuant Article I, Section 1.2, however such rates are not predicated or conditioned on any Contract extension:

Effective Dates	Rates (USD) per 1,000 gallons
Potable Water Effective Date (defined herein) through September 30, 2040	\$3.44

If the Contract is extended beyond the Initial Term, the above rate will remain fixed through and including September 30, 2040, and the rate for Replacement Potable Water may be reviewed and adjusted by the City annually thereafter. In no event, however, shall the City increase the rate for Replacement Potable Water by more than five percent (5%) of the previous rate, nor shall the rate paid by Rio Nogales for Replacement Potable Water ever exceed the lowest rate charged by the City to any other industrial Potable Water Customers.”

iv. Because all of the water delivered to the Rio Nogales Plant is measured by a single meter, the City shall invoice CPS Energy with the first



220,000,000 gallons delivered at the Replacement Potable Water rate and the remainder of any water volumes will be billed at the then applicable rate for water.

- c. On the Potable Water Effective Date, all references to Treated Effluent Water in the Contract, including but not limited to Article II, Section 2.2(b) (“Preference for Treated Effluent Water”) shall be deleted and replaced with “Replacement Potable Water.”
- 2. This Amendment shall be effective as of , 2021] (the “**Amendment Effective Date**”).
- 3. Full Force and Effect. Except as expressly set forth in this Amendment, all other terms and conditions of the Contract shall remain in full force and effect.
- 4. Entire Contract. This Amendment, along with the Contract, constitutes the final and entire Contract between the parties respecting the subject matter hereof and thereof and any oral or written representation, warranty, course of dealing or trade usage not contained or referenced herein shall not be binding on the parties. Each party agrees it has not relied upon or been induced by any representation of the other party not contained in this Tenth Amendment.
- 5. Precedence. In the event of a conflict between the terms of this Amendment and the Contract, the terms hereof shall control.
- 6. Signatures. This Amendment may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one instrument. Facsimile signatures, signatures on an electronic image (such as .pdf or .jpg format), and electronic signatures shall be deemed to be original signatures. Each person executing this Amendment warrants that she/he is authorized to do so on behalf of the party for whom she/he signs.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the Amendment Effective Date.

**The City of San Antonio,
acting by and through
City Public Service Board**

City of Seguin, Texas

Signature

Signature

Printed Name

Printed Name

Title

Title



Date

Date