

MEMORANDUM

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

From: Timothy J. Howe, Director – Water / Wastewater Utilities

Through: Rick Cortes, Deputy City Manager

Subject: Amendment to Water Supply and Wastewater Requirements Agreement between the City of Seguin and City Public Service (CPS Energy)

Date: June 22, 2021

Pursuant to an agreement between the City of Seguin (City) and the City of San Antonio acting by and through City Public Service Board (CPS Energy), CPS Energy purchases potable water and treated wastewater effluent (reuse water) from the City to operate the Rio Nogales Power Plant. The City provides reuse water from the treatment process of the Walnut Branch wastewater treatment plant (WBWWTP). The City will decommission the WBWWTP in or around 2024 and convey all wastewater flow to the Geronimo Creek wastewater treatment plant (GCWWTP). Based on the CPS Energy's decision not to construct a reuse water pipeline from GCWWTP to connect to the existing reuse water pipeline at the WBWWTP site, reuse water will no longer be available to the Rio Nogales power plant.

This amendment to the current agreement sets terms and conditions whereas the City will provide up to 220,000,000 gallons / year of potable water in-lieu of reuse water. This "replacement potable water" will be supplied at a rate of \$3.44 / 1000 gallons from the effective date of this amendment through September 30, 2044 after which this replacement potable water rate may be reviewed and adjusted by the City annually up to a maximum increase of 5% of the previous rate.

Lastly, this amendment deletes all reference to "treated effluent water" in the agreement and replaces it with "replacement potable water". Staff recommends approval and will be available to answer any questions at the July 6, 2021 Council Meeting.