



It's real.

MEMORANDUM

**To: Mayor and City Council
Douglas Faseler, City Manager**

From: Rick Cortes, Assistant City Manager

Date: April 11, 2017

Subject: GBRA Raw Water Supply Agreement

The City of Seguin currently holds a raw water service agreement with Guadalupe Blanco River Authority (GBRA) to provide 1000-acre feet of raw water annually at a current cost of \$135 per acre-foot, for a total annual cost of \$135,000. The agreement between the City of Seguin and GBRA is scheduled to expire August 31, 2017.

In an effort to secure this water resource for an extended period of time, city staff requested, and GBRA agreed to a five-year term with an option for an additional five-year term. Pursuant to this agreement, the initial term will run through calendar year 2022, while the second term will expire on calendar year 2027.

Please note that the proposed rate for FY 2017 is \$142 per acre-foot, for a total annual cost of \$142,000. The principal components of the increased rate include personnel costs, water rights acquisitions, flood debris, and log jam removal. Staff recommends approval.

**Cc: Susan Caddell, Finance Director
Leann Wilkerson, Utility Billing Supervisor
Andrew Quittner, City Attorney**