



## AGENDA MEMORANDUM

Future item for the City Council Meeting of August 21, 2018  
Action item for the City Council Meeting of August 28, 2018

**DATE:** August 15, 2018  
**TO:** Keith Selman, Interim City Manager  
**FROM:** Dan Grimsbo, Executive Director of Utilities  
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826-1718

### San Patricio Municipal Water District Treated Water Contract Amendment

**CAPTION:** Motion authorizing the Second Amendment and Extension to the Treated Water Supply Contract with San Patricio Municipal Water District (SPMWD).

**PURPOSE:**

To amend the contract to increase quantities; provide take or pay obligation; and extend term 40 years.

**BACKGROUND AND FINDINGS:**

The City of Corpus Christi through a Treated Water Supply Contract provides treated water to the SPMWD for the resale of municipal and industrial purposes.

The proposed amendment to the Treated Water Supply Contract would 1) increase quantity by additional 27,000 acre feet for new total of 37,000 acre feet; 2) provide for take or pay obligation on 15,000 acre feet effective January 1, 2023; and 3) extend term 40 years.

**ALTERNATIVES:**

Do not authorize amendment; the current agreement expires March 2027.

**OTHER CONSIDERATIONS:** n/a

**CONFORMITY TO CITY POLICY:** This item conforms to City policy.

**EMERGENCY / NON-EMERGENCY:** Non-emergency

**DEPARTMENTAL CLEARANCES:** Utilities; Legal

**FINANCIAL IMPACT:**

Operating       Revenue       Capital      X Not applicable

<b>Fiscal Year: 2017-2018</b>	<b>Current Year</b>	<b>Future Years</b>	<b>TOTALS</b>
Line Item Budget			
Encumbered / Expended Amount			
This item			
BALANCE	0.00	0.00	0.00

Fund(s): n/a

**Comments:**

**RECOMMENDATION:**

Staff recommend approval of the Amendment

**LIST OF SUPPORTING DOCUMENTS:**

Second Amendment to and Extension of the Contract between the City of Corpus Christi and San Patricio Municipal Water District