



Meeting Date: December 14, 2023 **Agenda Type:** Consent Items for Action

From: Brent Lundmark **Reviewed by:** Michael Short, P.E.
Water Treatment & Director of Water Services and
Compliance Manager Compliance

Submitted by: Michael Short, P.E. **Approved by:** Ryan Kelso
Director of Water Services Interim Chief Executive Officer
and Compliance

RECOMMENDED ACTION: Authorize Interim CEO or His Designee to Negotiate and Execute a Reuse Water Supply Contract with Sundance Property Owners Associations, Inc. for the Use of Reuse Water Provided by New Braunfels Utilities

BACKGROUND

On June 29, 2007, the New Braunfels Utilities (“NBU”) Board of Trustees approved a fifteen-year contract (the “Original Contract”) with Koontz McCombs 1, LTD to supply reuse water for water features and irrigation within a newly developed commercial property. Koontz McCombs 1, LTD later assigned the Original Contract to the Sundance Property Owners Association, Inc. Reuse water from the Gruene Water Reclamation Facility is pumped on-demand to the three holding ponds in the development and is used for irrigation of landscaping. The Sundance Property Owners Association had the option to extend the Original Contract for an additional five-year term in June of 2022 but did not give the proper notice to extend. To meet the Texas Commission on Environmental Quality’s requirements, a contract (the “Contract”) between the two parties must be in place to enforce regulatory controls on the use of the reclaimed water.

NBU staff requests that the Board of Trustees approve the Contract for a fifteen-year term, with subsequent one-year renewals, which grants Sundance Property Owners Association priority rights to 24,000,000 gallons of reuse water from the Gruene Water Reclamation Facility each year.

FINANCIAL IMPACT

To incentivize the use of reclaimed water from the wastewater treatment systems, the wholesale cost for reuse water is set at 75% of the commercial rate within the Contract. During Fiscal Year 2023, the Sundance Property Owners Association used 20,179,100 gallons of reclaimed water which brought in revenue of \$95,183.40 to NBU.

LINK TO STRATEGIC PLAN

Stewardship

EXHIBITS

1. Reuse Water Supply Contract
2. Gruene Water Reclamation Facility Reuse Permit