

CITY COUNCIL MEETING
March 23, 2026 @ 6:00 p.m.
Council Chambers - Government Center
200 North 12th Street - Corsicana, Texas 75110

1. CALL TO ORDER

2. PLEDGE OF ALLEGIANCE

3. INVOCATION

4. MINUTES

Consider approving the Minutes for the City Council Regular Session of March 9, 2026.

5. PUBLIC FORUM

6. PUBLIC HEARINGS

7. ORDINANCES

8. RESOLUTIONS

- a. Consider approving an action to suspend the effective date proposed by Atmos Energy Corporation –MidTex Division, to increase rates under the Gas Reliability Infrastructure Program for 45 days, and authorize the City of Corsicana’s continued participation in a coalition of cities known as the “Atmos Texas Municipalities”. **PAGE 16**
- b. Consider designating the month of April 2026 as Fair Housing Month in the City of Corsicana. **PAGE 22**
- c. Consider authorizing the submission of a Texas Community Development Block Grant Application to the Texas Department of Agriculture for the 2026 Downtown Revitalization Program. **PAGE24**
- d. Consider authorizing the City Manager to amend the Water Supply Contract between the City of Corsicana and Emhouse Water System – City of Emhouse. **PAGE 28**
- e. Consider authorizing the City Manager to execute a Water Supply Contract between the City of Corsicana and Community Water – Beaton Lake Estates Water System. **PAGE 42**
- f. Consider authorizing the City Manager to execute a Water Supply Contract between the City of Corsicana and Community Water – Northcrest Water System. **PAGE 57**
- g. Consider authorizing the City Manager to execute a Water Supply Contract between the City of Corsicana and Community Water – Purdon Water System. **PAGE 72**

- h. Consider authorizing the City Manager to execute a Water Supply Contract between the City of Corsicana and Community Water – Retreat Water System.

PAGE 87

- i. Consider approving Historic Downtown District Reinvestment Tax Credits for 2025.

PAGE 102

9. APPOINTMENTS

- ā. Confirm the Mayor’s appointments to Boards and Commissions.
- b. Confirm the City Manager’s appointment of the Assistant City Manager for Community and Economic Development.

10. REPORTS and PRESENTATIONS

- a. Presentation of the Carnegie Foundation gift of \$10,000 to the Corsicana Public Library to commemorate the 250th Birthday of the United States.
- b. Presentation of the Annual Comprehensive Financial Report for 2025.

11. MISCELLANEOUS ANNOUNCEMENTS

Mayor/Council/City Manager

12. EXECUTIVE SESSION: The Council will recess into closed or executive session to receive attorney’s advice on legal matters pursuant to Section 551.071 of the Texas Government Code, to deliberate on certain matters concerning real property pursuant to Section 551.072 of the Texas Government Code, to deliberate on personnel matters pursuant to Section 551.074 of the Texas Government Code, and to discuss economic development negotiations pursuant to Section 551.087 of the Texas Government Code.

13. RETURN TO OPEN SESSION: The Council will consider and act upon items discussed under Executive Session, as necessary.

14. ADJOURN

FOLLOWING ARE INSTRUCTIONS TO VIEW THE MEETING BY LIVE BROADCAST ON THE CITY’S WEBSITE AND TO PARTICIPATE BY TELEPHONE OR TELECONFERENCE:

- The meeting can be joined by teleconference using the link below. You may also call in and listen to the audio by telephone using the toll-free number below.

Please join the meeting from your computer, tablet, or smartphone.

<https://global.gotomeeting.com/join/707244013>

You can also dial in using your phone.
(For supported devices, tap a one-touch number below to join instantly.)

United States (Toll Free): 1 866 899 4679
- One-touch: tel:+18668994679,,707244013#

United States: +1 (312) 757-3119
- One-touch: tel:+13127573119,,707244013#

Access Code: 707-244-013

New to GoToMeeting? Get the app now and be ready when your first meeting starts:
<https://global.gotomeeting.com/install/707244013>

- The live broadcast of the meeting can be viewed on the City of Corsicana website at:

www.cityofcorsicana.com

Choose “Broadcasts”

Under “Live Broadcasts Meetings” –

--- Click on “City Council Meeting” to view the meeting.

(Recorded meetings can also be viewed any time after the meeting at this same location.)

- ** The complete Agenda packet is located on the City of Corsicana website at:

www.cityofcorsicana.com

Click on “GOVERNMENT”

Click on “Agenda Center” in the column on the left.

Under the “City Council” section, click on the Agenda for the current meeting date.

AGENDA INFORMATION

*** INFORMATION ON THE FOLLOWING PAGES IS SUBJECT TO CHANGE PRIOR TO COUNCIL MEETING.**

ITEM NO. 4

Date: March 23, 2026

Subject: Minutes

Comments:

Consider approving the Minutes for the City Council Regular Session of March 9, 2026.

Recommendation: Approve the Minutes as printed.

**CITY OF CORSICANA
COUNTY OF NAVARRO
STATE OF TEXAS**

**CITY COUNCIL REGULAR SESSION MINUTES
MONDAY, MARCH 9, 2026**

The City of Corsicana, Texas City Council met in a Regular Session on Monday, March 9, 2026, in the Corsicana Government Center Council Chambers, 200 N. 12th Street, Corsicana, Texas. The meeting was open to the public. Public participation was available by live broadcast on the City's website, and by telephone or teleconference.

City Council Members Present:

Joe Hill	Mayor
Jim Pannell	Council Member, Precinct One
Chris Woolsey	Council Member, Precinct Three
Jeff Smith	Mayor Pro Tem and Council Member, Precinct Four

City Council Members Absent:

Shayla Johnson	Council Member, Precinct Two
----------------	------------------------------

City Staff Present:

Jim Holgersson	City Manager
Kerri Anderson Donica	City Attorney
Mike Ryan	Fire Chief
Ronnie McGaha	Assistant Police Chief
Jason Beard	Environmental Services Director
Sharla Allen	Parks and Recreation Director
Darwin Myers	Engineering Director
Amy Tidwell	Main Street Director
Marcie Rosson	City Secretary

Mayor Hill called the meeting to order at 6:02 p.m.

After the Pledge of Allegiance, led by Aini Glover, an invocation was given by Reverend Jerry Liversage with Jerry Liversage Ministries, Inc. and Responding Recovery Ministries.

Approval of Minutes:

The motion was made by Council Member Woosely and seconded by Council Member Pannell to approve the Minutes of the City Council Regular Session of February 23, 2026. The motion passed 4-0.

Public Forum:

Council Member Pannell – Introduced Aini Glover, age 12, of Collins Middle School, also Council Member Shayla Johnson's daughter, as one of the children selected for the Pledge Program. Aini was presented with a certificate of recognition and a goodie bag from Parks and Recreation Director Sharla Allen.

Barbara Kelley – 800 Northwood – Spoke to Council about her phone call with the CEO of Burger King and encouraging community members to use their voices.

Public Hearings:

There were no Public Hearings.

Ordinances:

There were no Ordinances.

Resolutions:

Resolution No. 4604 (approved)

Presented by City Secretary, Marcie Rosson

The motion was made by Council Member Smith and seconded by Council Member Woolsey that **Resolution No. 4604**, *consider approving changing the date of the first City Council Session of May 2026 from May 4, 2026, to May 11, 2026*, be approved. The motion passed 4-0.

RESOLUTION NO. 4604

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORSICANA, TEXAS, CHANGING THE DATE OF THE FIRST REGULAR SCHEDULED COUNCIL SESSION OF MAY 2026.

WHEREAS, the City Council meets twice monthly in regular session in accordance with Section 10 of the City Charter; and

WHEREAS, the regular scheduled sessions of the City Council are currently held on the second and fourth Mondays of each month; and

WHEREAS, the meeting dates for May 2026 were previously approved by Resolution No. 4586 to be changed to the first and third Mondays due to the Memorial Day holiday coinciding with the meeting date; and

WHEREAS, the City of Corsicana’s General Election will be held on May 2, 2026, and results must be canvassed between May 5, 2026, and May 13, 2026, to satisfy the requirements in Chapter 67 of the Texas Election Code; and

WHEREAS, holding the City Council Meetings on Monday, May 11, 2026, and Monday, May 18, 2026, will satisfy the two meetings required of the Council in May 2026; and will allow the election results to be canvassed within the dates prescribed by Chapter 67 of the Texas Election Code.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CORSICANA, TEXAS, that the first City Council session of May 2026 be changed from Monday, May 4, 2026, to Monday, May 11, 2026.

PASSED and APPROVED by majority vote of the City Council of the City of Corsicana, Texas this 9th day of **March, 2026**.

Resolution No. 4605 (approved)

Presented by Fire Chief, Mike Ryan

The motion was made by Council Member Woolsey and seconded by Council Member Pannell that **Resolution No. 4605**, *consider authorizing submission of a State Homeland Security Program Grant*, be approved. The motion passed 4-0.

RESOLUTION NO. 4605

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORSICANA, TEXAS, AUTHORIZING THE CITY OF CORSICANA TO SUBMIT AN APPLICATION FOR A STATE HOMELAND SECURITY PROGRAM GRANT.

WHEREAS, the City of Corsicana hosts the Emergency GIS Response Team (EGRT) which has an opportunity to replace several needed items through the State Homeland Security Program (SHSP) grant this year; and

WHEREAS, the grant funding comes from Federal funds, and it is managed by the Office of the Governor; and

WHEREAS, it is a no-match grant and the items requested have been approved as eligible for funding; and

WHEREAS, the items that are being requested include a new plotter, 4 to 6 laptops, and two portable projectors totaling \$16,300; and

WHEREAS, the grant program requires a resolution from the City to accept the grant and upload the approved resolution into the grant portal prior to March 15, 2026; and

WHEREAS, the City of Corsicana agrees that in the event of loss or misuse of the Office of the Governor funds, City of Corsicana assures that the funds will be returned to the Office of the Governor in full; and

WHEREAS, the City of Corsicana designates the Mayor as the grantee's authorized official, and the authorized official is given the power to apply for, accept, reject, alter, or terminate the grant on behalf of the City of Corsicana; and

WHEREAS, the City of Corsicana designates the Finance Director as the grantee's financial officer. The financial officer is given the power to submit financial and/or programmatic reports or alter a grant on behalf of the City of Corsicana.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CORSICANA, TEXAS, that the City of Corsicana is authorized to submit an application for the State Homeland Security Program grant to the Office of the Governor.

PASSED and APPROVED by majority vote of the City Council of the City of Corsicana, Texas this **9th** day of **March, 2026**.

Resolution No. 4606 (approved)

Presented by Engineering Director, Darwin Myers

The motion was made by Council Member Pannell and seconded by Council Member Smith that **Resolution No. 4606**, *consider authorizing award of the Administrative/Professional Services*

provider contract for the 2026 Texas Community Development Block Grant Downtown Revitalization/Main Street Program, be approved. The motion passed 4-0.

RESOLUTION NO. 4606

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORSICANA, TEXAS, AUTHORIZING AWARD OF ADMINISTRATIVE/PROFESSIONAL SERVICES PROVIDER CONTRACTS FOR THE 2026 TEXAS COMMUNITY DEVELOPMENT BLOCK GRANT DOWNTOWN REVITALIZATION/MAIN STREET PROGRAM(S).

WHEREAS, the 2026 Texas Community Development Block Grant Downtown Revitalization/Main Street Program (TxCDBG DRP/MS) contract requires implementation by professionals experienced in completion of federally-funded Administrative services; and

WHEREAS, in order to identify qualified and responsive providers for these services a Request for Proposals (RFP) process for Administrative services has been completed in accordance with Texas CDBG requirements; and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CORSICANA, TEXAS:

Section 1. That GrantWorks, Inc. be awarded a contract to provide TxCDBG application and project-related administration services for the 2026 TxCDBG Downtown Revitalization Plan/Main Street Program project.

Section 2. That any and all contracts or commitments made with the above-named service provider are dependent on the successful negotiation of a contract with the service provider.

PASSED and APPROVED by majority vote of the City Council of the City of Corsicana, Texas, this **9th** day of **March, 2026**.

Resolution No. 4607 (approved)

Presented by City Secretary, Marcie Rosson

The motion was made by Council Member Woolsey and seconded by Council Member Smith that **Resolution No. 4607**, *consider approving the appointment of the Election Judges, Alternate Election Judges, Early Voting Clerk, Early Voting Ballot Board, Central Counting Station Judges, and personnel for the City's General Election to be held May 2, 2026*, be approved. The motion passed 4-0.

RESOLUTION NO. 4607

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORSICANA, TEXAS, APPOINTING ELECTION JUDGES, ALTERNATE ELECTION JUDGES, EARLY VOTING CLERK, THE EARLY VOTING BALLOT BOARD, AND CENTRAL COUNTING STATION JUDGES AND PERSONNEL FOR THE CITY'S GENERAL ELECTION TO BE HELD MAY 2, 2026.

WHEREAS, heretofore, on **January 12, 2026**, the City Council of the City of Corsicana ordered a General Election for the City to be held on **May 2, 2026**, to elect two (2) City officers: Council Member Precinct 1; and Council Member Precinct 2; and

WHEREAS, there is a need to appoint officials to conduct the election for Council Member Precinct 1; and Council Member Precinct 2; and

WHEREAS, the City has contracted with Navarro County to use their judges and poll workers for the election of May 2, 2026 which are approved by Commissioner’s Court; and

WHEREAS, there is no need to appoint a Signature Verification Committee. The Ballot Board will be performing this action.

THEREFORE, BE IT RESOLVED that said election shall be held at the hereinafter named places in said City of Corsicana, and in other locations throughout the cities and school districts holding elections in Navarro County, and the hereinafter named persons are hereby appointed Election Judges, Alternate Election Judges, The Early Voting Clerk, Early Voting Ballot Board, and Central Counting Station Judges and Personnel with full power and authority to appoint the necessary clerks, to-wit:

<u>Vote Center Judge</u>	<u>Presiding Judge</u>	<u>Alternate</u>
Navarro County Courthouse Annex 601 N. 13 th St., Corsicana	Ervin Richards	James Bennett
Bears Den 802 S. 2 nd St., Corsicana	Penny Liggins	Mari Worley
Blooming Grove Lions Den 121 S. Fordyce, Blooming Grove	Rita Hogan	Doug Moss
Chatfield Community Center Womack 4808 FM 1603, Chatfield	Rene Woods	Theresa
Church of Jesus Christ of Latter Day Saints 3800 Emhouse Rd., Corsicana	Debbie Wright	Dorothy Gray
Navarro College Cook Center 3200 W. 7 th Ave., Corsicana	Tom Gertson	Stephen Avery
Dawson Volunteer Fire Department Hindrick 97 N. Main St., Dawson	Roy Hignight	Peggy
Eureka United Methodist Church 8644 Hwy. 287, Corsicana	Jamie Kitchens	Scott Haynie
Fannie Mae Vernon Room 4021 E. Hwy. 22, Corsicana	Kathy Carter	Jo Singletary
Frost I.S.D. Marquis 208 N. Wyrick, Frost	David Taylor	Charky
Kerens I.S.D. Administration Building 200 Bobcat Ln., Kerens	Rita West	Annette Carter
Mildred City Hall 5415 FM 637, Corsicana	Terri Bates	Seri Nolan

Martin Luther King Center 1114 E. 4 th Ave., Corsicana	Wayne Ward	Carla Davis
Pursley Volunteer Fire Department Liversage 9772 FM 709 S., Pursley	Ashleigh Streit	Holly
Rice City Hall Franklin 305 N. Dallas, Rice	Gale Greeson	Patricia
Richland City Hall Parmley 103 W. Main St., Richland	Kimberly Barrios	Rosemary
Silver City Volunteer Fire Department Albritton 555 FM 55, Corsicana	Mary Wade	Helen
Westside Baptist Church 1522 N. 24 th St., Corsicana	Barry Giffin	John Blewitt
Winkler Masonic Lodge 9986 FM 416, Winkler	Donna Carter	Larry Green
YMCA, Rhoades Optimist Room Robinson 400 Oaklawn, Corsicana	Sharon Bland	Diana
Early Voting Clerk:	Allie Thomas	
Early Voting Ballot Board	Bill Carson Linda Mertz	
Central Counting Station:	Allie Thomas Diana Herrera	
<p>NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CORSICANA, TEXAS, that the individuals listed above be approved, and the remaining individuals named above, be appointed as Election Judges, and Alternate Election Judges, for the City of Corsicana’s General Election to be held on May 2, 2026.</p> <p>PASSED and APPROVED by majority vote of the City Council of the City of Corsicana, Texas this 9th day of March, 2026.</p>		

Appointments:

The City Manager’s appointment was moved to the March 23, 2026, meeting by Mayor Hill so that all Council Members would be present.

Reports and Presentations:

- a. Update on Main Street Department, Film Festival, and Downtown Economic Development – presented by Maggie Campbell of Main & Catalyst and Amy Tidwell, Main Street and Tourism Director.
- b. Update on Project Information Forms submitted to the Texas Water Development Board – presented by Jason Beard, Environmental Services Director.

Executive Session:

There was no Executive Session.

Adjourn:

There being no further business, Mayor Hill declared the meeting adjourned at 7:10 p.m.

**Attested This, the 23rd day
of March 2026**

**Attested This, the 23rd day
of March 2026**

City Secretary

Mayor

ITEM NO. 5

Date: March 23, 2026

Subject: **Public Forum**

Comments:

Recommendation: No action required.

ITEM NO. 6

Date: March 23, 2026

Subject: **Public Hearings**

Comments: N/A

Recommendation: N/A

ITEM NO. 7

Date: March 23, 2026

Subject: **Ordinances**

Comments: N/A

Recommendation: N/A

ITEM NO. 8A

Date: March 23, 2026

ACTION TO SUSPEND FOR 45 DAYS THE EFFECTIVE DATE PROPOSED BY ATMOS ENERGY CORPORATION – MIDTEX DIVISION, TO INCREASE RATES UNDER THE GAS RELIABILITY INFRASTRUCTURE PROGRAM, AND AUTHORIZE THE CITY’S CONTINUED PARTICIPATION IN A COALITION OF CITIES KNOWN AS THE “ATMOS TEXAS MUNICIPALITIES”

ATMOS TEXAS MUNICIPALITIES

The City is a member of the Atmos Texas Municipalities (“ATM”). The ATM group was organized by a number of municipalities served by Atmos Energy Corporation – MidTex Division (“Atmos Energy”) and has been represented by the law firm of Herrera Law & Associates, PLLC to assist in reviewing applications to change rates submitted by Atmos Energy.

“GRIP” RATE APPLICATION

Under section 104.301 of the Gas Utility Regulatory Act (“GURA”), a gas utility is allowed to request increases in its rates to recover a return on investments it makes between general rate cases. This section of GURA is commonly referred to as the “GRIP” statute, that is, the “Gas Reliability Infrastructure Program.”

Under a decision by the Supreme Court of Texas, the Court concluded that a filing made under the GRIP statute permitted gas utilities the opportunity to recover return on capital expenditures made during the interim period between general rate cases by applying for an interim rate adjustment and that proceedings under the GRIP statute did not contemplate either adjudicative hearings or substantive review of utilities’ filings for interim rate adjustments. Instead, the Court concluded, the GRIP statute provides for a *ministerial* review of the utility’s filings to ensure compliance with the GRIP statute and the Railroad Commission’s rules, and that it is within the Railroad Commission’s authority to preclude cities from intervening and obtaining a hearing before the Railroad Commission.

ATMOS ENERGY’S “GRIP” APPLICATION

On or about February 20, 2026, Atmos Energy filed for an increase in gas utility rates under the Gas Reliability Infrastructure Program (“GRIP”). Atmos Energy’s application if approved by the Commission will result in an increase in the monthly customer charges as shown below:

Rate Schedule	Current Customer Charge	Proposed 2026 Interim Rate Adjustment	Adjusted Charge	Increase Per Bill
Rate R – Residential Sales	\$25.03 per customer per month	\$10.59 per customer per month	\$35.62 per customer per month	\$10.59
Rate C – Commercial Sales	\$140.01 per customer per month	\$38.65 per customer per month	\$178.66 per customer per month	\$38.65
Rate I (Industrial) & Rate T (Transportation)	\$2,100.00 per meter per month	\$658.18 per meter per month	\$2,758.18 per meter per month	\$658.18

Also, Atmos Energy’s proposed increase in revenue results in the following approximate percentage increases in a customer’s base-rate bills. Base rates recover Atmos Energy’s costs excluding the cost of gas and are the costs that are directly within Atmos Energy’s control:

Residential Gas Service:	42.31% increase in customer charge per bill
Commercial Gas Service:	27.61% increase in customer charge per bill
Industrial & Transportation Gas Service:	31.34% increase in customer charge per meter

The increase in an average customer’s bill is shown below:

Residential Gas Service:	20.86% increase in customer bill
Commercial Gas Service:	17.28% increase in customer bill
Industrial:	21.05% increase in customer bill
Transportation:	10.58% increase in customer bill

Atmos Energy’s application, if approved by the Railroad Commission, will result in a systemwide increase in Atmos Energy’s revenue of about \$286.9 million, of which ATM’s portion is about \$28.2 million. Atmos Energy proposed an effective date of April 21, 2026.

REVIEW AND ACTION RECOMMENDED

In light of the Texas Supreme Court’s opinion, the City’s ability to review and effectuate a change in Atmos Energy’s requested increase is limited. Nonetheless, to allow for a limited review of Atmos Energy’s GRIP application, and given the limited authority cities have in GRIP cases, it is recommended that the City suspend Atmos Energy’s proposed effective date of April 21, 2026 for forty-five days as allowed by state law, so that the City may evaluate whether the data and calculations in Atmos Energy’s rate application are correctly done.

Therefore, ATM’s Special Counsel, the law firm of Herrera Law & Associates, PLLC recommends that the City adopt a resolution suspending Atmos Energy’s proposed effective date for 45 days. Assuming a proposed effective date of April 21, 2026, Atmos Energy’s proposed effective date is suspended until June 5, 2026.

MOTION:

I MOVE TO (APPROVE/DENY) SUSPENDING THE EFFECTIVE DATE FOR RATE INCREASE PROPOSED BY ATMOS ENERGY CORPORATION - MIDTEX DIVISION, AND AUTHORIZING THE CITY TO CONTINUE TO PARTICIPATE IN THE “ATMOS TEXAS MUNICIPALITIES” COALITION.

RESOLUTION NO. _____

A RESOLUTION BY THE CITY OF CORSICANA, TEXAS, ("CITY") RESPONDING TO THE APPLICATION OF ATMOS ENERGY CORPORATION – MIDTEX DIVISION, TO INCREASE RATES UNDER THE GAS RELIABILITY INFRASTRUCTURE PROGRAM; SUSPENDING THE EFFECTIVE DATE OF THIS RATE APPLICATION FOR FORTY-FIVE DAYS; AUTHORIZING THE CITY TO CONTINUE TO PARTICIPATE IN A COALITION OF CITIES KNOWN AS THE “ATMOS TEXAS MUNICIPALITIES;” DETERMINING THAT THE MEETING AT WHICH THE RESOLUTION WAS ADOPTED COMPLIED WITH THE TEXAS OPEN MEETINGS ACT; MAKING SUCH OTHER FINDINGS AND PROVISIONS RELATED TO THE SUBJECT; AND DECLARING AN EFFECTIVE DATE.

WHEREAS, on or about February 20, 2026, Atmos Energy Corporation – MidTex Division (“Atmos Energy”) filed for an increase in gas utility rates under the Gas Reliability Infrastructure Program (“GRIP”), which if approved, results in an increase in the monthly customer charges as follows:

Rate Schedule	Current Customer Charge	Proposed 2026 Interim Rate Adjustment	Adjusted Charge	Increase Per Bill
Rate R – Residential Sales	\$25.03 per customer per month	\$10.59 per customer per month	\$35.62 per customer per month	\$10.59
Rate C – Commercial Sales	\$140.01 per customer per month	\$38.65 per customer per month	\$178.66 per customer per month	\$38.65
Rate I (Industrial) & Rate T (Transportation)	\$2,100.00 per meter per month	\$658.18 per meter per month	\$2,758.18 per meter per month	\$658.18

WHEREAS, Atmos Energy’s application, if approved by the Railroad Commission, will result in a systemwide increase in Atmos Energy’s revenue of about \$286.9 million, of which ATM’s portion is about \$28.2 million; and

WHEREAS, the City has a special responsibility to exercise due diligence with regard to rate increases of monopoly utilities who operate within its boundaries; and

WHEREAS, the application to increase rates by Atmos Energy is complex; and

WHEREAS, the effective date proposed by Atmos Energy is April 21, 2026 but a suspension by the City will mean that the rate increase cannot go into effect prior to June 5, 2026; and

WHEREAS, it is necessary to suspend the effective date for the increase in rates for forty-five days, so that the City can assure itself that the data and calculations in Atmos Energy's rate application are correctly done and are in conformity with section 104.301 of the Gas Utility Regulatory Act.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CORSICANA, TEXAS THAT:

Section 1. That the statements and findings set out in the preamble to this resolution are hereby in all things approved and adopted.

Section 2. The City suspends the requested effective date by Atmos Energy for forty-five days pursuant to the authority granted the City under Section 104.301 of the Texas Utilities Code. The City finds that additional time is needed in order to review the data and calculations that provide the basis for the rate increase application.

Section 3. The City shall continue to act jointly with other cities that are part of a coalition of cities known as the Atmos Texas Municipalities ("ATM").

Section 4. The City authorizes the law firm of Herrera Law & Associates, PLLC, to act on its behalf in connection with Atmos Energy's application to increase rates.

Section 5. To the extent Atmos Energy's application to increase rates under section 104.301 of the Gas Utility Regulatory Act ("GURA") is considered a ratemaking proceeding Atmos Energy is ordered to reimburse the City's reasonable rate case expenses incurred in response to Atmos Energy's rate increase application within 30 days of receipt of invoices for such expenses to the extent allowed by law, or pursuant to agreement between Atmos and ATM.

Section 6. A copy of this resolution shall be sent to Mr. Christopher A. Felan, Vice President, Rates & Regulatory Affairs, Atmos Energy Corporation, 5420 LBJ Freeway, Suite

1800, Dallas, Texas 75240; and to Mr. Alfred R. Herrera, Herrera Law & Associates, PLLC, P.O. Box 302799, Austin, Texas 78703, or via email to AHerrera@HerreraLawPLLC.com.

Section 7. The meeting at which this resolution was approved was in all things conducted in compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.

Section 8. This resolution shall be effective immediately upon passage.

PASSED and **APPROVED** by majority vote of the City Council of the City of Corsicana, Texas this **23rd** day of **March, 2026**.

Joe Hill, Mayor

ATTEST:

Marcie Rosson, City Secretary

APPROVED AS TO FORM:

Kerri Anderson Donica, City Attorney

ITEM NO. 8B

Date: March 23, 2026

Subject: **Fair Housing Month**

Comments: The purpose of this resolution is to designate April 2026 as Fair Housing Month and support Fair Housing activities within the City of Corsicana.

Title VIII of the Civil Rights Act of 1968 prohibits discrimination in housing and declares it a national policy to provide, within constitutional limits, for fair housing in the United States. Fair Housing is a national law and a national policy. By designating April as Fair Housing Month citizens will be made aware of and help support this law.

Recommendation: Designate April 2026 as Fair Housing Month within the City of Corsicana.

MOTION:

I MOVE TO (APPROVE/DENY) DESIGNATING APRIL 2026 AS FAIR HOUSING MONTH WITHIN THE CITY OF CORSICANA.

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
CORSICANA, TEXAS, DESIGNATING THE MONTH OF APRIL 2026 AS
FAIR HOUSING MONTH AND SUPPORTING FAIR HOUSING
ACTIVITIES WITHIN THE CITY.**

WHEREAS, Title VIII of the Civil Rights Act of 1968, as amended, prohibits discrimination in housing and declares it a national policy to provide, within constitutional limits, for fair housing in the United States; and

WHEREAS, the principle of Fair Housing is not only national law and national policy, but a fundamental human concept and entitlement for all Americans; and

WHEREAS, this proclamation, during the month of April, provides an opportunity for all Americans to recognize that complete success in the goal of equal housing opportunity can only be accomplished with the help and cooperation of all Americans.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CORSICANA, TEXAS, that April 2026 be proclaimed as Fair Housing Month in the City of Corsicana and do hereby urge all citizens of this locality to become aware of and support the Fair Housing law.

PASSED and APPROVED by majority vote of the City Council of the City of Corsicana, Texas, on this **23rd** day of **March, 2026**.

Joe Hill, Mayor

ATTEST:

Marcie Rosson, City Secretary

APPROVED AS TO FORM:

Kerri Anderson Donica, City Attorney

ITEM NO. 8C

Date: March 23, 2026

Subject: **Authorizing the submission of a Texas Community Block Grant Program Application to the Texas Department of Agriculture for the Downtown Revitalization Program.**

Comments: On March 9, 2026, the Corsicana City Council approved award of a contract to GrantWorks to provide Administrative/Professional services for the Texas Community Block Grant Program. The next phase is the preparation and submission of an application for the 2026 Downtown Revitalization/Main Street Program. Applications for this Community Development Block Grant (GDBG) program are due Tuesday, April 7, 2026

Recommendation: Approve the submission of an application for the Texas CDBG Downtown Revitalization/Main Street Program.

MOTION:

I MOVE TO (APPROVE/DENY) AUTHORIZING THE SUBMISSION OF A TEXAS COMMUNITY DEVELOPMENT BLOCK GRANT APPLICATION TO THE TEXAS DEPARTMENT OF AGRICULTURE FOR THE DOWNTOWN REVITALIZATION PROGRAM.

RESOLUTION _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORSICANA, TEXAS, AUTHORIZING THE SUBMISSION OF A TEXAS COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM APPLICATION TO THE TEXAS DEPARTMENT OF AGRICULTURE FOR THE DOWNTOWN REVITALIZATION PROGRAM.

WHEREAS, the City Council of the City of Corsicana desires to develop a viable community, including decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low-to-moderate income; and

WHEREAS, it is necessary and in the best interests of the City of Corsicana to apply for funding under the Texas Community Development Block Grant Program; and

WHEREAS, the City Council of the City of Corsicana has reviewed and evaluated the city for identification of pedestrian centered economic activity and is formally designating the area identified by the following boundaries and outline on the map attached, as its official Main Street area.

Boundaries of the Downtown District

North: 2nd Street
South: W. 8th Avenue
East: Railroad Tracks
West: 12th Street

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF CORSICANA, TEXAS,

1. That a Texas Community Development Block Grant Program application for the Downtown Revitalization Program is hereby authorized to be filed on behalf of the City of Corsicana with the Texas Department of Agriculture, and to be placed in competition for funding under the Downtown Revitalization Program.
2. That the City of Corsicana requests to be considered for the Main Street Set-Aside and commits to selecting a project in coordination with the Texas Historical Commission, consistent with the current Main Street Program documentation and meets either the National Program Objective to Eliminate Slum and Blighted Conditions or to Benefit Low- to Moderate-Income Persons.
3. That all funds will be used in accordance with all applicable federal, state, local and programmatic requirements including but not limited to procurement, environmental review, labor standards, real property acquisition, and civil rights requirements.

4. That the City of Corsicana is committing to provide \$50,000.00 in matching funds toward the application's activities, with the specific usage and funding source to be determined prior to any award of grant funding.

PASSED and **APPROVED** by majority vote of the City Council of the City of Corsicana, Texas, this **23rd** day of **March, 2026**.

Joe Hill, Mayor

ATTEST:

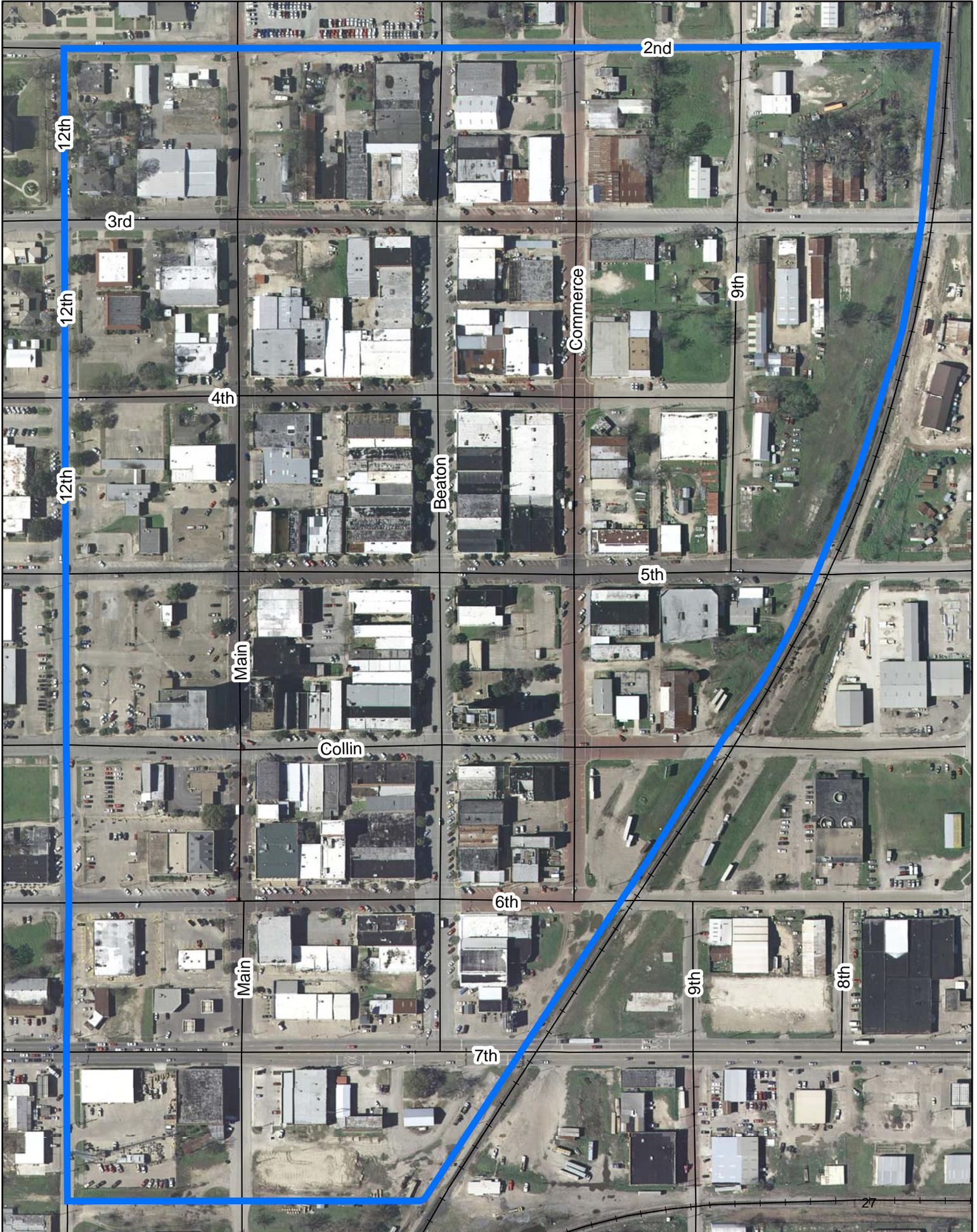
Marcie Rosson, City Secretary

APPROVED AS TO FORM:

Kerri Anderson Donica, City Attorney



Historic Main Street District



ITEM NO. 8D

DATE: March 23, 2026

**SUBJECT: Emhouse Water System – City of Emhouse
Water Supply Contract**

Comments: The attached agreement sets forth the terms and conditions between the City of Corsicana and Emhouse Water System – City of Emhouse for the sale and purchase of treated water from the City.

The City previously entered into a contract with Emhouse Water System – City of Emhouse on October 1, 2025, for the sale and purchase of treated water.

Emhouse Water System desires to increase the volume of the new contract for the purchase of a volume not to exceed 330 gallons per minute or 475,200 gallons per month with a term of twenty (20) years.

Recommendation: Authorize the City Manager to execute a water supply contract with Emhouse Water System for the purchase of potable water.

MOTION:

I MOVE TO (APPROVE/DENY) AUTHORIZING THE CITY MANAGER TO EXECUTE A WATER SUPPLY CONTRACT WITH EMHOUSE WATER SYSTEM – CITY OF EMHOUSE.

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORSICANA, TEXAS, AUTHORIZING THE CITY MANAGER TO AMEND A WATER SUPPLY CONTRACT BETWEEN THE CITY OF CORSICANA “SELLER” AND EMHOUSE WATER SUPPLY – CITY OF EMHOUSE “PURCHASER” TO PURCHASE WATER FROM SELLER.

WHEREAS, the City of Corsicana “Seller” and Emhouse Water System – City of Emhouse “Purchaser” have heretofore entered into that certain “Water Supply Contract” dated October 1, 2025 for a twenty (20) year term (collectively, the “Prior Contract”); and

WHEREAS, Purchaser has requested that the Prior Contract be increased to not exceed 330 gallons per minute or 475,200 gallons per month to purchase water from Seller; and

WHEREAS, Seller has numerous wholesale customers, including Purchaser, under various contracts, and Seller desires to begin implementing a system-wide consistent Water Supply Contract containing rate making methodology for fair and non-discriminatory treatment of its wholesale customers, including Purchaser, using accepted rate making principles to recover the cost of providing service to said wholesale customers; and

WHEREAS, Seller and Purchaser desire to effect renewal of the Prior Contract as set forth herein and to completely restate herein the entire agreement between the parties into a new contract between the parties.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CORSICANA, TEXAS, THAT in consideration of the foregoing, the mutual benefits, covenants and agreements expressed herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged the City of Corsicana “Seller” agrees to furnish and Emhouse Water System – City of Emhouse “Purchaser” agrees to pay for potable water service under the terms and conditions in the attached Water Supply Contract.

PASSED and APPROVED by majority vote of the City Council of the City of Corsicana, Texas, this **23rd** day of **March, 2026**.

Joe Hill, Mayor

ATTEST:

Marcie Rosson, City Secretary

APPROVED AS TO FORM:

Kerri Anderson Donica, City Attorney

WATER SUPPLY CONTRACT

This Water Supply Contract (the "Contract") is entered into as of the ___ day of _____, 2026 (the "Effective Date"), between the CITY OF CORSICANA, Texas ("Seller") and Emhouse Water System – City of Emhouse ("Purchaser").

RECITALS

WHEREAS, Seller and Purchaser have heretofore entered into that certain "Water Supply Contract" dated October 21, 2003 as amended by document dated October 1, 2025; and

WHEREAS, Purchaser has requested to increase the amount of water purchased from Seller; and

NOW, THEREFORE, in consideration of the foregoing, the mutual benefits, covenants and agreements expressed herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Seller agrees to furnish and Purchaser agrees to pay for potable water service upon the following terms and conditions:

I. DEFINITIONS

Section 1.01. Definitions. The following terms shall have the meaning assigned below wherever used in this Contract, unless the context clearly requires otherwise:

"Additional Wholesale Customers" means any persons or entities, other than Purchaser, receiving wholesale water service from Seller as provided in Section 2.08.

"Contract" means this Water Supply Contract between Seller and Purchaser.

"Delivery Points" means the mutually agreeable points, more fully described in Section 2.04, at which Seller will deliver potable water to Purchaser.

"Effective Date" means the date on which this Contract is made, as reflected in the first sentence on the first page of this Contract.

"Parties" means the Parties to this Contract, the Seller and Purchaser.

"Prior Contract" means the prior agreement, as amended, between Seller and Purchaser as described in the Recitals of this Contract.

"Purchaser" means Emhouse Water System – City of Emhouse PWS Number TX1750014

"Purchaser's Service Area" means the treated water service area, as currently designated in Purchaser's certificate of convenience and necessity (CCN) or other areas purchaser is legally

allowed to serve as shown on the map in Exhibit A, which may be amended by Purchaser with Seller's consent

"Purchaser's System" means the potable water storage and distribution facilities of Purchaser used by Purchaser to deliver the potable water to Purchaser's retail customers.

"Rate Schedule" means the rates stipulated for customers, including Purchaser, in the City of Corsicana's Schedule of Rates, as amended or revised by Seller's city council from time to time, but no more frequently than annually.

"Seller" means the City of Corsicana.

"Seller's System" means the property and facilities owned or used by Seller to supply, store, divert, treat, transport and deliver water to Seller's retail customers, Purchaser and Additional Wholesale Customers and all related property interests, rights, facilities, equipment and materials including (without limitation) any appurtenances, extensions, improvements, or additions thereto and replacements thereof.

"TCEQ" means the Texas Commission on Environmental Quality or any of its predecessor or successor agencies which perform substantially the same function(s).

"PUC" means the Public Utility Commission of Texas or any of its predecessor or successor agencies which perform substantially the same function(s).

Section 1.02. Prior Contract. The Prior Contract has expired or is otherwise being superseded and is replaced by this Contract. Any terms and conditions of the Prior Contract are replaced by the terms and conditions of this Contract.

II. **WATER SALES AND DELIVERY**

Section 2.01. Water Delivery. Subject to the terms and conditions of this Contract, Seller agrees to sell and deliver potable water meeting the minimum applicable standards for drinking water quality for human consumption (30 T.A.C. Chapter 290, Subchapter F) to Purchaser at the Delivery Points for municipal use within Purchaser's Service Area, in an amount sufficient to meet Purchaser's volume and demand requirements, but not to exceed 475,200 gallons per day or 330 gallons per minute.

Section 2.02. Availability and Deliverability. Seller's duty to deliver potable water under this Contract is subject to and limited by the availability, as determined by Seller, of Seller's water supply and Seller's ability to process and deliver the potable water to Purchaser through Seller's System. Such delivery will not be unreasonably withheld. In the event of severe drought conditions, emergencies, or other periods of water shortage Seller will impose any curtailments in potable water service equitably and in a non-discriminatory fashion, in accordance with Texas Water Code Section 11.039, to itself and all its retail and wholesale customers.

Section 2.03. Use of Water. The usufructory right to the water sold to Purchaser shall remain in Seller until it passes through the metering equipment located at the Delivery Points, at which time such usufructory right shall transfer to Purchaser. Then, to the extent the reuse of return flows is allowed by law, the usufructory right to the water shall revert back to Seller as soon as Purchaser discharges the water into any State stream or watercourse pursuant to a wastewater discharge permit issued by TCEQ. Purchaser agrees that it shall acquire no rights or title for the use of water other than those rights explicitly set forth in this Contract. Nothing in this Contract, however, shall be construed as imposing any duty or liability on Seller regarding the quality of water discharged by Purchaser from Purchaser's System and all such duties and obligations shall be, and remain, those of Purchaser.

Section 2.04. Delivery Points. Initially, the Delivery Point is as follows: a point located at the Purchaser's meter in the vicinity of intersection of Country Club Drive and Emhouse Road. In the future, Purchaser may request additional delivery points for the delivery of potable water under this contract, which shall be deemed to be a part of this Contract (thereby amending this Section 2.04) if approved by Seller in writing.

Section 2.05. Water Pressure. The Parties acknowledge and agree that Seller is not responsible for the pressure at which potable water is supplied to Purchaser under this Contract at the Delivery Point(s) and is not obligated to maintain a pressure of any particular amount. Purchaser agrees to construct water storage, pumping, pressure maintenance or other facilities, as required, to accommodate and provide for Purchaser's pressure requirements. Such facilities shall be part of Purchaser's System and constructed, operated, and maintained at Purchaser's expense. Purchaser shall be considered in default if it fails to construct facilities as required to meet Purchaser's pressure requirements.

Section 2.06. Termination, Discontinuance and Curtailment of Service: Modification of Contract. Notwithstanding any other provision herein to the contrary, it is specifically understood and agreed between the parties that the obligation of Seller to provide potable water to the Purchaser during the term of this Contract is neither superior nor inferior to the obligation of Seller to provide similarly situated customers with water and to its Additional Customers or any future Additional Customers of Seller's System. Pursuant to such understanding, the parties hereby agree that if it is ever reasonably determined by Seller during the term of this Contract that it is unable to adequately provide water to its customers because of an emergency or shortage of water supply, production, treatment, storage or transportation capability in the Seller's System, or if Seller needs to cause repairs to be made to the Seller's System to repair, replace or improve the level of water service to its customers, then Seller shall have the right, after reasonable notice to the Purchaser and opportunity for consultation, to curtail or limit service to the Purchaser and all other customers of Seller on a reasonable, non-discriminatory basis so that all similarly situated customers are treated equally, fairly and uniformly. The Purchaser further agrees, in times of such emergency or shortage or the need for repair, replacement or improvement of the Seller's System, to take appropriate action to curtail or limit all usage by the Purchaser so that all users of the water from both entities will be equally and uniformly restricted and protected. Any such measures taken by the Purchaser will be at least as stringent as those adopted by Seller for the Seller. Notwithstanding anything herein to the contrary, if it is ever determined by any governmental or regulatory authority that provision of potable water by Seller under this Contract or curtailment or

limitation of water by Seller to any of its customers is in violation of applicable law, regulation or order, then Seller, after reasonable notice to the Purchaser and opportunity for consultation, may take such action as will best effectuate this Contract and comply with applicable law.

Section 2.07. Resale. Purchaser agrees not to convey water purchased from Seller to any person or entity outside Purchaser's Service Area, unless Purchaser has received prior written approval from Seller, which approval may be granted or denied at Seller's sole discretion. For purposes of this provision, "convey" means to sell, trade, donate, exchange, transfer title, or contract therefor.

Section 2.08. Additional Customers. Seller shall have the right to supply water to its retail customers and to enter into written treated water supply contracts with additional wholesale customers ("Additional Wholesale Customers"); provided, however, Seller agrees that it will not provide retail water utility service within Purchaser's Service Area unless Purchaser's Service Area is within the service area designated in Seller's certificate of convenience and necessity (CCN). Additional customers will be charged for water at rates established from time to time by the Seller's City Council. Seller reserves the right to establish different rates for customers taking water at different points of delivery or under pre-existing contracts as of the Effective Date; provided, however, the rates charged by Seller shall fairly allocate costs among all of Seller's customers, subject to such pre-existing contracts as of the Effective Date.

Section 2.09. Conservation Plan. Within 120 days of the Effective Date of this Contract, Purchaser shall develop, if it has not done so already, a water conservation plan which incorporates loss reduction measures and demand management practices designed to ensure that the potable water delivered under this Contract is used in an economically efficient and environmentally sensitive manner. Purchaser's conservation plan must comply with all requirements imposed by law, including (without limitation) any applicable rules of the TCEQ, and it shall be updated as necessary to remain compliant with such requirements. Upon request, Purchaser shall furnish a copy of its Conservation and Drought Contingency Plan to Seller. Purchaser's water conservation plan shall be at least as restrictive as the City's water conservation plan. Purchaser shall also provide the City with yearly estimates of unaccounted for water loss for Purchaser's system using the Texas Water Development Board's methodology for calculating water loss. The City reserves the right to amend quantities provided to Purchaser in this Contract and to set rate surcharges if the Purchaser's water loss is deemed by the City, in its sole discretion, to be too high.

III.

METERING

Section 3.01. Installation; O&M. Seller shall design, construct, install, operate and maintain any meter vault(s), metering equipment, and associated appurtenances as determined by Seller, in its sole discretion, to be necessary to properly measure and control the quantity of water delivered to Purchaser under this Contract. Such metering equipment shall remain the property of Seller. Purchaser shall have access to such metering equipment at all reasonable times, but the reading, calibration, and adjustment of such metering equipment shall be conducted only by the employees or agents of Seller. Any metering equipment used under this Contract shall measure flow rate within an accuracy of $\pm 2\%$.

Section 3.02. Books and Records. For purposes of this Contract, the original record or reading of the meter shall be in a journal or other permanent record of Seller in its office. Upon written request of Purchaser, Seller will give Purchaser a copy of such journal or record, or permit Purchaser to have access thereto during reasonable business hours in the office of Seller wherein such records are customarily kept.

Section 3.03. Calibration. At least once each calendar year, Seller shall test the calibration of the metering equipment Seller installs pursuant to this Contract. By giving written notification to Seller, Purchaser may request one additional calibration test per year to be paid for solely by Purchaser. When such an additional calibration test is requested, the additional calibration test shall be conducted in the presence of an authorized representative of Purchaser as soon as possible after the Seller receives the requests. Purchaser shall have the right to have a representative present at any calibration test conducted under this Contract, and Seller shall give Purchaser at least forty-eight (48) hours advanced notice before each calibration. If a representative of Purchaser is not present at the time set in Seller's notice, Seller may proceed with calibration test and any adjustment(s) in the absence of any representative of Purchaser. After each calibration test, Seller shall provide Purchaser with the test results.

Section 3.04. Inaccuracy; Down Time. If any calibration test reveals that the percentage of inaccuracy of any metering equipment used under this contract is in excess of two percent (2%), registration of such metering equipment shall be corrected for a period extending back to the time when such inaccuracy began, if such time is ascertainable. The correction shall apply if the meter is over reading or under reading. If such time is not ascertainable, then the registration shall be corrected for a period extending back one-half(1/2) of the time elapsed since the last date of calibration, but in no event further back than a period of six (6) months. If for any reason any metering equipment is out of service or out of repair so that the actual amount of water delivered during such period cannot be ascertained or computed, the amount of water delivered during such period may be estimated: (i) by correcting the error, if the percentage of the error is ascertainable by calibration tests or mathematical calculation; or (ii) by estimating the quantity of water delivered by deliveries during the preceding period under similar conditions when the meter or meters were registering accurately.

Section 3.05. Ingress and Egress. Purchaser agrees to provide ingress and egress for Seller's employees and agents to install, operate, inspect, test, and maintain facilities owned or maintained by Seller on Purchaser's premises.

IV. **BILLING AND PAYMENT**

Section 4.01. Payments for Service. Purchaser shall pay Seller monthly for water delivered pursuant to this Contract at prevailing rates established in Seller's Rate Schedule (Class III – Wholesale Contract Customers). Seller's duty to fix just, reasonable and non-discriminatory rates is subject to Seller's obligations under any other water sale contracts existing as of the Effective Date.

Section 4.02. Initial Rates. At the time of the execution of this Contract, the prevailing rates under Seller's Rate Schedule applicable to water delivered pursuant to this Contract are

\$264.30 for a 4" meter including the first 1,000 gallons, and volumetric rates of \$4.90 per 1,000 for 1,001 to 10,000 gallons, \$5.05 per 1,000 for 10,001 to 25,000 gallons and \$5.15 per 1,000 for any volume in excess of 25,000 gallons.

In addition, a charge of \$5.21 per 1,000 gallons used per month shall be charged when the water usage is in excess of the maximum amount agreed to be furnished by the Seller. The Parties acknowledge and agree that these stated rates, while prevailing as of the execution of this Contract, may be changed or modified from time to time by Seller in accordance with Section 4.03 of this Contract during the time it remains in effect.

Section 4.03. Rate Revision.

a. Purchaser acknowledges and agrees that Seller's City Council has the right to revise by ordinance, from time to time and as needed, the rates charged hereunder to cover all reasonable, actual, and expected costs incurred by Seller to provide the potable water supply service to Seller's customers. If, during the term of this contract, Seller in its discretion revises the City wholesale water rate (Class III – Wholesale Contract Customer), then such revised rate shall apply to water purchases by Purchaser under this Contract on the effective date specified for the rate in the adopting ordinance, or the date of the adopting ordinance if no effective date is specified.

b. Following notice of any rate revision(s), Purchaser, in addition to all other remedies provided by law, shall have the right to seek a review of said rate revision under Section 13.043, Texas Water Code and applicable TCEQ or PUC rules.

c. Except during emergencies when Seller is unable to meet all of Purchaser's water supply needs, Purchaser agrees to use the water purchased from Seller under this Contract to meet all of the needs of Purchaser's customers. If in any calendar year during this Contract, Purchaser obtains water from another source other than for said emergency purposes, then Purchaser shall in any event pay Seller during said calendar year for a minimum amount of water equal to the greater of the amount of water actually delivered by Seller to Purchaser during each monthly billing cycle during said year or 1,368,000 gallons per monthly billing cycle during said year.

Section 4.04. Connection Fee. If required, Purchaser shall pay to Seller, as an agreed cost, a separate fee to connect ("connection fee") Purchaser's delivery and distribution system to Seller's Delivery System (this fee applies to new or upgraded connections). The connection fee shall be determined by the size of the tap, meter and meter vault required. Connection fees shall be excluded from Seller's rate base for purposes establishing rates under Seller's Rate Schedule.

Section 4.05. Billing Procedure. Seller will render bills for the payments required by Section 4.01 on or before the tenth (10th) day of each month. Such bills shall be due and payable on or before the fifth (5th) day of the succeeding month or twenty-five (25) days after such bill is deposited in the United States mail, properly stamped and addressed, whichever is later. Bills shall be deemed paid when payment actually has been received by Seller. A late charge of ten percent (10%) shall be applied to any bill not paid on or before the due date. Seller may from time to time,

by forty-five (45) days written notice, change the monthly date on which it shall render bills and the corresponding due dates.

Section 4.06. Disputed Bills. If Purchaser disputes the amount of a bill rendered by Seller pursuant to this Contract, Purchaser shall nevertheless pay such bill in accordance with Section 4.05. If it is subsequently determined by agreement or a final and unappealable court or PUC order that the amount of the disputed bill should have been less (or more), the amount of the bill shall be promptly and appropriately adjusted, and the amount of any reimbursement (or additional payment) that is due after the adjustment shall be paid by the owing Party within ten (10) days of such event. If not paid when due, such amounts shall bear interest at the rate of ten percent (10%) per annum from the due date until paid. Provided, however, interest may be waived by the Party to whom the amount is owed.

V. STANDARDS

Section 5.01. Plumbing Regulations. To the extent Seller and Purchaser have the authority, both covenant and agree to adopt and enforce adequate plumbing regulations with provisions for the proper enforcement thereof, to ensure that neither cross-connection or other undesirable plumbing practices are permitted, including an agreement with each of their respective water customers that allows the retail provider to said customer to inspect individual water facilities prior to providing service to ensure that no substandard materials are used and to prevent cross-connection and other undesirable plumbing practices.

Section 5.02. Air Gaps; Backflow Preventers. Purchaser shall provide air gaps for the first ground storage and backflow preventers for the first elevated storage from the point of connection(s) to the Seller's system.

(A) *Testing of assemblies.*

All required backflow assemblies shall be tested upon installation by a recognized backflow prevention assembly tester and certified to be operating within specifications. Backflow prevention assemblies which are installed to provide protection against health hazards must also be tested and certified to be operating within specifications at least annually by a recognized backflow prevention assembly tester. Wholesale water connections, which require backflow protection, must be tested and certified to be operating within specifications at least annually by a recognized backflow prevention assembly tester.

(B) *Maintenance of assemblies.* A person who owns, operates, or manages a premise in which a required backflow prevention assembly is installed shall maintain such assemblies in proper working order at all times, including such repairs as may be necessary to keep the assembly in proper working order. The maintenance and repair of all assemblies shall be done in accordance with the applicable regulations of the TCEQ and this article. A backflow prevention assembly shall be maintained in a manner that allows the assembly to be tested by a method that has been approved by TCEQ.

VI.

TERMINATION: REMEDIES: VENUE: FORCE MAJEURE

Section 6.01. Termination Due to illegality or impossibility . Seller may terminate this Contract if it becomes illegal or impossible for Seller to perform its obligations hereunder due to the occurrence of any one or more of the following:

- (A) the cancellation, amendment, or other limitation by any local, state, or federal agency of any permit(s), amendment(s), license(s), or authorization(s) required for Seller to appropriate for municipal use and/or sell the water to be furnished to Purchaser under this Contract or to operate and maintain Seller's System to deliver such water; or
- (B) the final adoption or issuance of any order, rule, regulation or determination by a court or governmental agency rendering this Contract unenforceable. Seller will vigorously defend against any such order, rule, regulation or determination, including the timely filing and diligent prosecution of any appeal necessary to ensure Seller's delivery of water under the provisions of this Contract. Seller shall not consent to the adoption or issuance of any order, rule, regulation or court or governmental agency determination rendering Seller's service to Purchaser illegal or impossible.

If Seller desires to terminate this Contract by reason of any of these events, Seller shall, within three (3) months after it acquires knowledge of such event, deliver to Purchaser a written notice stating such desire, describing the event, and specifying the date on which this Contract is to terminate and become null and void, which date shall be at least six (6) months from the date of such notice.

Section 6.02. Termination for Non-Payment. If Seller determines Purchaser has not paid the full amount owed for any payment due to Seller under this Contract within the time provided therefor, Seller shall give written notice to Purchaser stating the amount Seller has determined is due and unpaid. If the Seller gives notice as provided herein and Purchaser fails to pay within thirty (30) days the amounts claimed in such notice to be due and unpaid, Seller may, at its sole option and upon giving ten (10) days written notice to Purchaser, terminate this Contract without recourse. If Purchaser should dispute its obligation to pay all or any part of the amount stated in any statement or notice, Purchaser may, in addition to all other rights that Purchaser may have under law, pay such amount under protest, in which case such amount shall be deposited by Seller in an interest bearing account at the official depository of the Seller pending final resolution of such dispute. Seller may not terminate this Contract for failure to pay the amount stated in any statement or notice if Purchaser pays such amount under protest. In the event Purchaser timely appeals any change in rates as provided at Section 4.03 of this Contract, Purchaser may not treat that appeal as a dispute falling under this Section and Seller shall not deposit any amounts that Purchaser may pay under protest into a separate account during the pendency of such an appeal..

Section 6.03. Termination Due to Default. Except as otherwise provided herein, if either Party defaults in the observance or performance of any of the material provisions, agreements, or conditions to be observed or performed on its part under this Contract, the other Party may give

written notice to the Party in default of its intention to terminate this Contract, specifying the material failure or default relied upon. Upon the expiration of forty-five (45) days after the giving of such notice, this Contract shall terminate without recourse, unless, within such forty-five (45) day period, or such longer period as may be specified in such notice or any amendment of or supplement to such notice, the default specified in such notice shall have been fully cured. In the event that either party defaults in accordance with the Contract, any water rights assigned by the Purchaser to the Seller will revert to the Purchaser.

Section 6.04. Waiver. No rights under this Contract may be waived except by written amendment executed by both Parties.

Section 6.05. Remedies Not Exclusive. The remedies expressly set forth in this Contract shall not be considered exclusive.

Section 6.06. Venue. The Parties acknowledge and agree that this Contract's place of performance is Navarro County, Texas. Any legal proceeding brought to enforce this Contract or any provision hereof shall be brought in Navarro County, Texas.

Section 6.07. Damage to Systems. Neither Party shall be liable for damages to the other Party's System resulting from actions of the Parties in compliance with this Contract, unless such damage is due to the Party's negligence or willful misconduct.

Section 6.08. Chemical and Bacteriological Content. Purchaser agrees to hold Seller whole and harmless from any claims or damages arising as a result of the chemical or bacteriological content of the water provided to Purchaser under this Contract, unless such claims or damages are caused by the Seller's negligence or willful misconduct. Seller will provide water meeting applicable TCEQ and EPA water quality requirements at the delivery point unless preventing from doing so as described in Section 6.10.

Section 6.09. Intentionally omitted.

Section 6.10. Force Majeure. If by reason of force majeure, either Party shall be rendered unable, wholly or in part, to carry out its obligations under this Contract, and if such Party gives notice and full particulars of such force majeure, in writing, to the other Party within a reasonable time after occurrence of the event or cause relied on. the obligations of the Party giving such notice (other than obligations for the payment of money), so far as they are affected by such force majeure, shall be suspended during the continuance of the inability then claimed, including a reasonable time for removal of the effect thereof. The term "force majeure" shall mean acts of God, strikes, lockouts or other industrial disturbances, acts of the public enemy, orders of any kind of the Government of the United States, or of any state thereof, or of any agency of the United States or any state, or any other civil or military authority, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, tornadoes, storms, floods, washouts, droughts, arrests, civil disturbances, explosions, breakage or accidents to machinery, equipment, transmission pipes, canals or similar facilities, shortages of labor, materials, supplies or transportation, or any other cause not reasonably within the control of the Party claiming such inability. The Parties shall use their best efforts to remove the cause of any force majeure. The

requirement that any force majeure shall be reasonably beyond the control of the Party shall be deemed to be fulfilled even though the existing or impending strike, lockout or other industrial disturbance may not be settled but could have been settled by acceding to the demand of the opposing person or persons.

Section 6.11. Indemnity. Purchaser shall indemnify Seller and hold Seller harmless for any loss or payment made on any claim or liability for injury or damage to Seller or Seller's equipment or facilities caused by the negligence of Purchaser, its employees, agents or assigns or for any other damages (regardless of negligence) arising out of Purchaser's use of water.

VII. GENERAL PROVISIONS

Section 7.01. Term and Renewal. This Contract shall be effective as of the Effective Date, and, unless sooner terminated as provided herein, shall remain in effect for 20 years from the date of this Contract. The Contract, however, may be extended for such term(s) as may be agreed upon by Seller and Purchaser. If Seller and Purchaser have not agreed to extend the term of this Contract within fifteen years from the date of this Contract, Purchaser shall develop alternative, or replacement supplies prior to the expiration of this Contract. No continuation of Seller's obligation to provide water beyond the expiration date shall be implied.

Section 7.02. No Third Party Beneficiary. The Parties hereto are entering into this Contract solely for the benefit of themselves and agree that nothing herein shall be construed to confer any right, privilege, or benefit on any person or entity other than the Parties hereto and their successor(s) or assign(s).

Section 7.03. Assignment. Purchaser, without the necessity of obtaining Seller's consent, may assign this Contract to the United States of America, acting by and through the Department of Agriculture Rural Development Administration and its successors and assigns, as security for any loan to be made by the United States Department of Agriculture Rural Development Administration to Purchaser. However, Purchaser may not otherwise transfer, sell, hypothecate or assign this Contract or Purchaser's rights and duties hereunder, without the express written consent of Seller. This provision shall in no way restrict the right of Purchaser to sell the water furnished by Seller under this Contract to any of Purchaser's customers.

Section 7.04. Notices. All notice, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given when sent by first-class mail, postage prepaid, addressed:

If to Seller:

City Manager City of Corsicana
200 North 12th Street
Corsicana, Texas 75110

If Purchaser:

City of Emhouse, Mayor
415 S Hopkins
Corsicana, TX 75110

or, in each case, at such other address in the State of Texas as may hereafter have been designated most recently in writing by the addressee to the addressor.

Section 7.05. Severability. In the event that any clause or provision of this Contract shall be held to be invalid by any court of competent jurisdiction, the invalidity of such clause or provision shall not affect any of the remaining provisions hereof. Each Party may specifically, but only in writing as provided in Section 6.04, waive any breach of this Contract by the other Party, but no such waiver shall be deemed to constitute a waiver of similar or other breaches by such other Party.

Section 7.06. Entire Agreement. This Contract contains the entire agreement of the Parties regarding the subject matter hereof, and no verbal or written agreement(s) or commitment(s) shall have any force or effect if not contained herein.

Section 7.07. Modification. This Contract may be modified or amended only by an instrument signed by the duly authorized representative of each of Party.

Section 7.08. Multiple Counterparts. This Contract may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute one and the same instrument.

Section 7.09. Caption Headings; Interpretation. The caption headings of this Contract are for reference purposes only and shall not affect its interpretation in any respect. This Contract and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein and to sustain the validity of this Contract.

Section 7.10. No provision of service. The parties agree that nothing set forth herein will be construed to constitute the provision of a good or service by Purchaser to the Seller.

IN WITNESS WHEREOF, the Parties hereto, acting under authority of their respective governing bodies, have caused this Contract to be duly executed in three (3) counterparts, each of which shall constitute an original.

SELLER:
CITY OF CORSICANA

By : _____
Mayor

By: _____
City Manager

PURCHASER
EMHOUSE WATER SYSTEM - CITY OF EMHOUSE

ATTEST:

City Secretary – City of Corsicana

ITEM NO. 8E

DATE: March 23, 2026

**SUBJECT: Community Water – Beaton Lake Estates Water System
Water Supply Contract**

Comments: The attached agreement sets forth the terms and conditions between the City of Corsicana and Community Water – Beaton Lake Estates for the sale and purchase of treated water from the City.

The City previously entered into a contract with Community Water – Beaton Lake Estates on March 4, 2008, for the sale and purchase of treated water.

Community Water – Beaton Lake Estates desires to enter into a new contract for the purchase of a volume not to exceed 62 gallons per minute or 89,280 gallons per month with a term of twenty (20) years.

Recommendation: Authorize the City Manager to execute a water supply contract with Community Water – Beaton Lake Estates Water System for the purchase of potable water.

MOTION:

I MOVE TO (APPROVE/DENY) AUTHORIZING THE CITY MANAGER TO EXECUTE A WATER SUPPLY CONTRACT WITH COMMUNITY WATER – BEATON LAKE ESTATES.

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORSICANA, TEXAS, AUTHORIZING THE CITY MANAGER TO EXECUTE A WATER SUPPLY CONTRACT BETWEEN THE CITY OF CORSICANA “SELLER” AND COMMUNITY WATER – BEATON LAKE ESTATES “PURCHASER” TO PURCHASE WATER FROM SELLER.

WHEREAS, City of Corsicana “Seller” and Community Water – Beaton Lake Estates “Purchaser” have heretofore entered into that certain “Water Supply Contract” dated March 4, 2008 for a twenty (20) year term (collectively, the “Prior Contract”); and

WHEREAS, Purchaser has requested that the Prior Contract be renewed and not increased to not exceed 62 gallons per minute or 89,820 gallons per month to purchase water from Seller; and

WHEREAS, Seller has numerous wholesale customers, including Purchaser, under various contracts, and Seller desires to begin implementing a system-wide consistent Water Supply Contract containing rate making methodology for fair and non-discriminatory treatment of its wholesale customers, including Purchaser, using accepted rate making principles to recover the cost of providing service to said wholesale customers; and

WHEREAS, Seller and Purchaser desire to effect renewal of the Prior Contract as set forth herein and to completely restate herein the entire agreement between the parties into a new contract between the parties.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CORSICANA, TEXAS, THAT in consideration of the foregoing, the mutual benefits, covenants and agreements expressed herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged City of Corsicana “Seller” agrees to furnish and Community Water – Beaton Lake Estates “Purchaser” agrees to pay for potable water service under the terms and conditions in the attached Water Supply Contract.

PASSED and APPROVED by majority vote of the City Council of the City of Corsicana, Texas, this **23rd** day of **March, 2026**.

Joe Hill, Mayor

ATTEST:

Marcie Rosson, City Secretary

APPROVED AS TO FORM:

Kerri Anderson Donica, City Attorney

WATER SUPPLY CONTRACT

This Water Supply Contract (the "Contract") is entered into as of the ___ day of _____, 2026 (the "Effective Date"), between the CITY OF CORSICANA, Texas ("Seller") and Community Water – Beaton Lake Estates Water System ("Purchaser").

RECITALS

WHEREAS, Seller and Purchaser have heretofore entered into that certain "Water Supply Contract" dated March 4, 2008; and

WHEREAS, Purchaser has requested the contract be renewed for 20 years to purchase water from Seller; and

NOW, THEREFORE, in consideration of the foregoing, the mutual benefits, covenants and agreements expressed herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Seller agrees to furnish and Purchaser agrees to pay for potable water service upon the following terms and conditions:

I.

DEFINITIONS

Section 1.01. Definitions. The following terms shall have the meaning assigned below wherever used in this Contract, unless the context clearly requires otherwise:

"Additional Wholesale Customers" means any persons or entities, other than Purchaser, receiving wholesale water service from Seller as provided in Section 2.08.

"Contract" means this Water Supply Contract between Seller and Purchaser.

"Delivery Points" means the mutually agreeable points, more fully described in Section 2.04, at which Seller will deliver potable water to Purchaser.

"Effective Date" means the date on which this Contract is made, as reflected in the first sentence on the first page of this Contract.

"Parties" means the Parties to this Contract, the Seller and Purchaser.

"Prior Contract" means the prior agreement, as amended, between Seller and Purchaser as described in the Recitals of this Contract.

"Purchaser" means Community Water – Beaton Lake Estates Water System PWS Number TX 1750035.

"Purchaser's Service Area" means the treated water service area, as currently designated in Purchaser's certificate of convenience and necessity (CCN) or other areas purchaser is legally

allowed to serve as shown on the map in Exhibit A, which may be amended by Purchaser with Seller's consent

"*Purchaser's System*" means the potable water storage and distribution facilities of Purchaser used by Purchaser to deliver the potable water to Purchaser's retail customers.

"*Rate Schedule*" means the rates stipulated for customers, including Purchaser, in the City of Corsicana's Schedule of Rates, as amended or revised by Seller's city council from time to time, but no more frequently than annually.

"*Seller*" means the City of Corsicana.

"*Seller's System*" means the property and facilities owned or used by Seller to supply, store, divert, treat, transport and deliver water to Seller's retail customers, Purchaser and Additional Wholesale Customers and all related property interests, rights, facilities, equipment and materials including (without limitation) any appurtenances, extensions, improvements, or additions thereto and replacements thereof.

"*TCEQ*" means the Texas Commission on Environmental Quality or any of its predecessor or successor agencies which perform substantially the same function(s).

"*PUC*" means the Public Utility Commission of Texas or any of its predecessor or successor agencies which perform substantially the same function(s).

Section 1.02. Prior Contract. The Prior Contract has expired or is otherwise being superseded and is replaced by this Contract. Any terms and conditions of the Prior Contract are replaced by the terms and conditions of this Contract.

II. **WATER SALES AND DELIVERY**

Section 2.01. Water Delivery. Subject to the terms and conditions of this Contract, Seller agrees to sell and deliver potable water meeting the minimum applicable standards for drinking water quality for human consumption (30 T.A.C. Chapter 290, Subchapter F) to Purchaser at the Delivery Points for municipal use within Purchaser's Service Area, in an amount sufficient to meet Purchaser's volume and demand requirements, but not to exceed 89,280 gallons per day or 62 gallons per minute.

Section 2.02. Availability and Deliverability. Seller's duty to deliver potable water under this Contract is subject to and limited by the availability, as determined by Seller, of Seller's water supply and Seller's ability to process and deliver the potable water to Purchaser through Seller's System. Such delivery will not be unreasonably withheld. In the event of severe drought conditions, emergencies, or other periods of water shortage Seller will impose any curtailments in potable water service equitably and in a non-discriminatory fashion, in accordance with Texas Water Code Section 11.039, to itself and all its retail and wholesale customers.

Section 2.03. Use of Water. The usufructory right to the water sold to Purchaser shall remain in Seller until it passes through the metering equipment located at the Delivery Points, at

which time such usufructory right shall transfer to Purchaser. Then, to the extent the reuse of return flows is allowed by law, the usufructory right to the water shall revert back to Seller as soon as Purchaser discharges the water into any State stream or watercourse pursuant to a wastewater discharge permit issued by TCEQ. Purchaser agrees that it shall acquire no rights or title for the use of water other than those rights explicitly set forth in this Contract. Nothing in this Contract, however, shall be construed as imposing any duty or liability on Seller regarding the quality of water discharged by Purchaser from Purchaser's System and all such duties and obligations shall be, and remain, those of Purchaser.

Section 2.04. Delivery Points. Initially, the Delivery Point is as follows: a point located at the Purchaser's meter in the vicinity of 225 feet from the intersection, on the north side, of CR 0025 and the northbound access road of I-45. In the future, Purchaser may request additional delivery points for the delivery of potable water under this contract, which shall be deemed to be a part of this Contract (thereby amending this Section 2.04) if approved by Seller in writing.

Section 2.05. Water Pressure. The Parties acknowledge and agree that Seller is not responsible for the pressure at which potable water is supplied to Purchaser under this Contract at the Delivery Point(s) and is not obligated to maintain a pressure of any particular amount. Purchaser agrees to construct water storage, pumping, pressure maintenance or other facilities, as required, to accommodate and provide for Purchaser's pressure requirements. Such facilities shall be part of Purchaser's System and constructed, operated, and maintained at Purchaser's expense. Purchaser shall be considered in default if it fails to construct facilities as required to meet Purchaser's pressure requirements.

Section 2.06. Termination, Discontinuance and Curtailment of Service: Modification of Contract. Notwithstanding any other provision herein to the contrary, it is specifically understood and agreed between the parties that the obligation of Seller to provide potable water to the Purchaser during the term of this Contract is neither superior nor inferior to the obligation of Seller to provide similarly situated customers with water and to its Additional Customers or any future Additional Customers of Seller's System. Pursuant to such understanding, the parties hereby agree that if it is ever reasonably determined by Seller during the term of this Contract that it is unable to adequately provide water to its customers because of an emergency or shortage of water supply, production, treatment, storage or transportation capability in the Seller's System, or if Seller needs to cause repairs to be made to the Seller's System to repair, replace or improve the level of water service to its customers, then Seller shall have the right, after reasonable notice to the Purchaser and opportunity for consultation, to curtail or limit service to the Purchaser and all other customers of Seller on a reasonable, non-discriminatory basis so that all similarly situated customers are treated equally, fairly and uniformly. The Purchaser further agrees, in times of such emergency or shortage or the need for repair, replacement or improvement of the Seller's System, to take appropriate action to curtail or limit all usage by the Purchaser so that all users of the water from both entities will be equally and uniformly restricted and protected. Any such measures taken by the Purchaser will be at least as stringent as those adopted by Seller for the Seller. Notwithstanding anything herein to the contrary, if it is ever determined by any governmental or regulatory authority that provision of potable water by Seller under this Contract or curtailment or limitation of water by Seller to any of its customers is in violation of applicable law, regulation or

order, then Seller, after reasonable notice to the Purchaser and opportunity for consultation, may take such action as will best effectuate this Contract and comply with applicable law.

Section 2.07. Resale. Purchaser agrees not to convey water purchased from Seller to any person or entity outside Purchaser's Service Area, unless Purchaser has received prior written approval from Seller, which approval may be granted or denied at Seller's sole discretion. For purposes of this provision, "convey" means to sell, trade, donate, exchange, transfer title, or contract therefor.

Section 2.08. Additional Customers. Seller shall have the right to supply water to its retail customers and to enter into written treated water supply contracts with additional wholesale customers ("Additional Wholesale Customers"); provided, however, Seller agrees that it will not provide retail water utility service within Purchaser's Service Area unless Purchaser's Service Area is within the service area designated in Seller's certificate of convenience and necessity (CCN). Additional customers will be charged for water at rates established from time to time by the Seller's City Council. Seller reserves the right to establish different rates for customers taking water at different points of delivery or under pre-existing contracts as of the Effective Date; provided, however, the rates charged by Seller shall fairly allocate costs among all of Seller's customers, subject to such pre-existing contracts as of the Effective Date.

Section 2.09. Conservation Plan. Within 120 days of the Effective Date of this Contract, Purchaser shall develop, if it has not done so already, a water conservation plan which incorporates loss reduction measures and demand management practices designed to ensure that the potable water delivered under this Contract is used in an economically efficient and environmentally sensitive manner. Purchaser's conservation plan must comply with all requirements imposed by law, including (without limitation) any applicable rules of the TCEQ, and it shall be updated as necessary to remain compliant with such requirements. Upon request, Purchaser shall furnish a copy of its Conservation and Drought Contingency Plan to Seller. Purchaser's water conservation plan shall be at least as restrictive as the City's water conservation plan. Purchaser shall also provide the City with yearly estimates of unaccounted for water loss for Purchaser's system using the Texas Water Development Board's methodology for calculating water loss. The City reserves the right to amend quantities provided to Purchaser in this Contract and to set rate surcharges if the Purchaser's water loss is deemed by the City, in its sole discretion, to be too high.

III. **METERING**

Section 3.01. Installation; O&M. Seller shall design, construct, install, operate and maintain any meter vault(s), metering equipment, and associated appurtenances as determined by Seller, in its sole discretion, to be necessary to properly measure and control the quantity of water delivered to Purchaser under this Contract. Such metering equipment shall remain the property of Seller. Purchaser shall have access to such metering equipment at all reasonable times, but the reading, calibration, and adjustment of such metering equipment shall be conducted only by the employees or agents of Seller. Any metering equipment used under this Contract shall measure flow rate within an accuracy of $\pm 2\%$.

Section 3.02. Books and Records. For purposes of this Contract, the original record or reading of the meter shall be in a journal or other permanent record of Seller in its office. Upon written request of Purchaser, Seller will give Purchaser a copy of such journal or record, or permit Purchaser to have access thereto during reasonable business hours in the office of Seller wherein such records are customarily kept.

Section 3.03. Calibration. At least once each calendar year, Seller shall test the calibration of the metering equipment Seller installs pursuant to this Contract. By giving written notification to Seller, Purchaser may request one additional calibration test per year to be paid for solely by Purchaser. When such an additional calibration test is requested, the additional calibration test shall be conducted in the presence of an authorized representative of Purchaser as soon as possible after the Seller receives the requests. Purchaser shall have the right to have a representative present at any calibration test conducted under this Contract, and Seller shall give Purchaser at least forty-eight (48) hours advanced notice before each calibration. If a representative of Purchaser is not present at the time set in Seller's notice, Seller may proceed with calibration test and any adjustment(s) in the absence of any representative of Purchaser. After each calibration test, Seller shall provide Purchaser with the test results.

Section 3.04. Inaccuracy; Down Time. If any calibration test reveals that the percentage of inaccuracy of any metering equipment used under this contract is in excess of two percent (2%), registration of such metering equipment shall be corrected for a period extending back to the time when such inaccuracy began, if such time is ascertainable. The correction shall apply if the meter is over reading or under reading. If such time is not ascertainable, then the registration shall be corrected for a period extending back one-half(1/2) of the time elapsed since the last date of calibration, but in no event further back than a period of six (6) months. If for any reason any metering equipment is out of service or out of repair so that the actual amount of water delivered during such period cannot be ascertained or computed, the amount of water delivered during such period may be estimated: (i) by correcting the error, if the percentage of the error is ascertainable by calibration tests or mathematical calculation; or (ii) by estimating the quantity of water delivered by deliveries during the preceding period under similar conditions when the meter or meters were registering accurately.

Section 3.05. Ingress and Egress. Purchaser agrees to provide ingress and egress for Seller's employees and agents to install, operate, inspect, test, and maintain facilities owned or maintained by Seller on Purchaser's premises.

IV. **BILLING AND PAYMENT**

Section 4.01. Payments for Service. Purchaser shall pay Seller monthly for water delivered pursuant to this Contract at prevailing rates established in Seller's Rate Schedule (Class III – Wholesale Contract Customers). Seller's duty to fix just, reasonable and non-discriminatory rates is subject to Seller's obligations under any other water sale contracts existing as of the Effective Date.

Section 4.02. Initial Rates. At the time of the execution of this Contract, the prevailing rates under Seller's Rate Schedule applicable to water delivered pursuant to this Contract are

\$85.12 for a 2” meter including the first 1,000 gallons, and volumetric rates of \$4.90 per 1,000 for 1,001 to 10,000 gallons, \$5.05 per 1,000 for 10,001 to 25,000 gallons and \$5.15 per 1,000 for any volume in excess of 25,000 gallons.

In addition, a charge of \$5.21 per 1,000 gallons used per month shall be charged when the water usage is in excess of the maximum amount agreed to be furnished by the Seller. The Parties acknowledge and agree that these stated rates, while prevailing as of the execution of this Contract, may be changed or modified from time to time by Seller in accordance with Section 4.03 of this Contract during the time it remains in effect.

Section 4.03. Rate Revision.

a. Purchaser acknowledges and agrees that Seller's City Council has the right to revise by ordinance, from time to time and as needed, the rates charged hereunder to cover all reasonable, actual, and expected costs incurred by Seller to provide the potable water supply service to Seller's customers. If, during the term of this contract, Seller in its discretion revises the City wholesale water rate (Class III – Wholesale Contract Customer), then such revised rate shall apply to water purchases by Purchaser under this Contract on the effective date specified for the rate in the adopting ordinance, or the date of the adopting ordinance if no effective date is specified.

b. Following notice of any rate revision(s), Purchaser, in addition to all other remedies provided by law, shall have the right to seek a review of said rate revision under Section 13.043, Texas Water Code and applicable TCEQ or PUC rules.

c. Except during emergencies when Seller is unable to meet all of Purchaser's water supply needs, Purchaser agrees to use the water purchased from Seller under this Contract to meet all of the needs of Purchaser's customers. If in any calendar year during this Contract, Purchaser obtains water from another source other than for said emergency purposes, then Purchaser shall in any event pay Seller during said calendar year for a minimum amount of water equal to the greater of the amount of water actually delivered by Seller to Purchaser during each monthly billing cycle during said year or 102,700 gallons per monthly billing cycle during said year.

Section 4.04. Connection Fee. If required, Purchaser shall pay to Seller, as an agreed cost, a separate fee to connect ("connection fee") Purchaser's delivery and distribution system to Seller's Delivery System (this fee applies to new or upgraded connections). The connection fee shall be determined by the size of the tap, meter and meter vault required. Connection fees shall be excluded from Seller's rate base for purposes establishing rates under Seller's Rate Schedule.

Section 4.05. Billing Procedure. Seller will render bills for the payments required by Section 4.01 on or before the tenth (10th) day of each month. Such bills shall be due and payable on or before the fifth (5th) day of the succeeding month or twenty-five (25) days after such bill is deposited in the United States mail, properly stamped and addressed, whichever is later. Bills shall be deemed paid when payment actually has been received by Seller. A late charge of ten percent (10%) shall be applied to any bill not paid on or before the due date. Seller may from time to time,

by forty-five (45) days written notice, change the monthly date on which it shall render bills and the corresponding due dates.

Section 4.06. Disputed Bills. If Purchaser disputes the amount of a bill rendered by Seller pursuant to this Contract, Purchaser shall nevertheless pay such bill in accordance with Section 4.05. If it is subsequently determined by agreement or a final and unappealable court or PUC order that the amount of the disputed bill should have been less (or more), the amount of the bill shall be promptly and appropriately adjusted, and the amount of any reimbursement (or additional payment) that is due after the adjustment shall be paid by the owing Party within ten (10) days of such event. If not paid when due, such amounts shall bear interest at the rate of ten percent (10%) per annum from the due date until paid. Provided, however, interest may be waived by the Party to whom the amount is owed.

V. STANDARDS

Section 5.01. Plumbing Regulations. To the extent Seller and Purchaser have the authority, both covenant and agree to adopt and enforce adequate plumbing regulations with provisions for the proper enforcement thereof, to ensure that neither cross-connection or other undesirable plumbing practices are permitted, including an agreement with each of their respective water customers that allows the retail provider to said customer to inspect individual water facilities prior to providing service to ensure that no substandard materials are used and to prevent cross-connection and other undesirable plumbing practices.

Section 5.02. Air Gaps; Backflow Preventers. Purchaser shall provide air gaps for the first ground storage and backflow preventers for the first elevated storage from the point of connection(s) to the Seller's system.

(A) *Testing of assemblies.*

All required backflow assemblies shall be tested upon installation by a recognized backflow prevention assembly tester and certified to be operating within specifications. Backflow prevention assemblies which are installed to provide protection against health hazards must also be tested and certified to be operating within specifications at least annually by a recognized backflow prevention assembly tester. Wholesale water connections, which require backflow protection, must be tested and certified to be operating within specifications at least annually by a recognized backflow prevention assembly tester.

(B) *Maintenance of assemblies.* A person who owns, operates, or manages a premise in which a required backflow prevention assembly is installed shall maintain such assemblies in proper working order at all times, including such repairs as may be necessary to keep the assembly in proper working order. The maintenance and repair of all assemblies shall be done in accordance with the applicable regulations of the TCEQ and this article. A backflow prevention assembly shall be maintained in a manner that allows the assembly to be tested by a method that has been approved by TCEQ.

VI.
TERMINATION: REMEDIES: VENUE: FORCE MAJEURE

Section 6.01. Termination Due to illegality or impossibility . Seller may terminate this Contract if it becomes illegal or impossible for Seller to perform its obligations hereunder due to the occurrence of any one or more of the following:

- (A) the cancellation, amendment, or other limitation by any local, state, or federal agency of any permit(s), amendment(s), license(s), or authorization(s) required for Seller to appropriate for municipal use and/or sell the water to be furnished to Purchaser under this Contract or to operate and maintain Seller's System to deliver such water; or
- (B) the final adoption or issuance of any order, rule, regulation or determination by a court or governmental agency rendering this Contract unenforceable. Seller will vigorously defend against any such order, rule, regulation or determination, including the timely filing and diligent prosecution of any appeal necessary to ensure Seller's delivery of water under the provisions of this Contract. Seller shall not consent to the adoption or issuance of any order, rule, regulation or court or governmental agency determination rendering Seller's service to Purchaser illegal or impossible.

If Seller desires to terminate this Contract by reason of any of these events, Seller shall, within three (3) months after it acquires knowledge of such event, deliver to Purchaser a written notice stating such desire, describing the event, and specifying the date on which this Contract is to terminate and become null and void, which date shall be at least six (6) months from the date of such notice.

Section 6.02. Termination for Non-Payment. If Seller determines Purchaser has not paid the full amount owed for any payment due to Seller under this Contract within the time provided therefor, Seller shall give written notice to Purchaser stating the amount Seller has determined is due and unpaid. If the Seller gives notice as provided herein and Purchaser fails to pay within thirty (30) days the amounts claimed in such notice to be due and unpaid, Seller may, at its sole option and upon giving ten (10) days written notice to Purchaser, terminate this Contract without recourse. If Purchaser should dispute its obligation to pay all or any part of the amount stated in any statement or notice, Purchaser may, in addition to all other rights that Purchaser may have under law, pay such amount under protest, in which case such amount shall be deposited by Seller in an interest bearing account at the official depository of the Seller pending final resolution of such dispute. Seller may not terminate this Contract for failure to pay the amount stated in any statement or notice if Purchaser pays such amount under protest. In the event Purchaser timely appeals any change in rates as provided at Section 4.03 of this Contract, Purchaser may not treat that appeal as a dispute falling under this Section and Seller shall not deposit any amounts that Purchaser may pay under protest into a separate account during the pendency of such an appeal..

Section 6.03. Termination Due to Default. Except as otherwise provided herein, if either Party defaults in the observance or performance of any of the material provisions, agreements, or conditions to be observed or performed on its part under this Contract, the other Party may give

written notice to the Party in default of its intention to terminate this Contract, specifying the material failure or default relied upon. Upon the expiration of forty-five (45) days after the giving of such notice, this Contract shall terminate without recourse, unless, within such forty-five (45) day period, or such longer period as may be specified in such notice or any amendment of or supplement to such notice, the default specified in such notice shall have been fully cured. In the event that either party defaults in accordance with the Contract, any water rights assigned by the Purchaser to the Seller will revert to the Purchaser.

Section 6.04. Waiver. No rights under this Contract may be waived except by written amendment executed by both Parties.

Section 6.05. Remedies Not Exclusive. The remedies expressly set forth in this Contract shall not be considered exclusive.

Section 6.06. Venue. The Parties acknowledge and agree that this Contract's place of performance is Navarro County, Texas. Any legal proceeding brought to enforce this Contract or any provision hereof shall be brought in Navarro County, Texas.

Section 6.07. Damage to Systems. Neither Party shall be liable for damages to the other Party's System resulting from actions of the Parties in compliance with this Contract, unless such damage is due to the Party's negligence or willful misconduct.

Section 6.08. Chemical and Bacteriological Content. Purchaser agrees to hold Seller whole and harmless from any claims or damages arising as a result of the chemical or bacteriological content of the water provided to Purchaser under this Contract, unless such claims or damages are caused by the Seller's negligence or willful misconduct. Seller will provide water meeting applicable TCEQ and EPA water quality requirements at the delivery point unless preventing from doing so as described in Section 6.10.

Section 6.09. Intentionally omitted.

Section 6.10. Force Majeure. If by reason of force majeure, either Party shall be rendered unable, wholly or in part, to carry out its obligations under this Contract, and if such Party gives notice and full particulars of such force majeure, in writing, to the other Party within a reasonable time after occurrence of the event or cause relied on. the obligations of the Party giving such notice (other than obligations for the payment of money), so far as they are affected by such force majeure, shall be suspended during the continuance of the inability then claimed, including a reasonable time for removal of the effect thereof. The term "force majeure" shall mean acts of God, strikes, lockouts or other industrial disturbances, acts of the public enemy, orders of any kind of the Government of the United States, or of any state thereof, or of any agency of the United States or any state, or any other civil or military authority, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, tornadoes, storms, floods, washouts, droughts, arrests, civil disturbances, explosions, breakage or accidents to machinery, equipment, transmission pipes, canals or similar facilities, shortages of labor, materials, supplies or transportation, or any other cause not reasonably within the control of the Party claiming such inability. The Parties shall use their best efforts to remove the cause of any force majeure. The

requirement that any force majeure shall be reasonably beyond the control of the Party shall be deemed to be fulfilled even though the existing or impending strike, lockout or other industrial disturbance may not be settled but could have been settled by acceding to the demand of the opposing person or persons.

Section 6.11. Indemnity. Purchaser shall indemnify Seller and hold Seller harmless for any loss or payment made on any claim or liability for injury or damage to Seller or Seller's equipment or facilities caused by the negligence of Purchaser, its employees, agents or assigns or for any other damages (regardless of negligence) arising out of Purchaser's use of water.

VII. GENERAL PROVISIONS

Section 7.01. Term and Renewal. This Contract shall be effective as of the Effective Date, and, unless sooner terminated as provided herein, shall remain in effect for 20 years from the date of this Contract. The Contract, however, may be extended for such term(s) as may be agreed upon by Seller and Purchaser. If Seller and Purchaser have not agreed to extend the term of this Contract within fifteen years from the date of this Contract, Purchaser shall develop alternative, or replacement supplies prior to the expiration of this Contract. No continuation of Seller's obligation to provide water beyond the expiration date shall be implied.

Section 7.02. No Third Party Beneficiary. The Parties hereto are entering into this Contract solely for the benefit of themselves and agree that nothing herein shall be construed to confer any right, privilege, or benefit on any person or entity other than the Parties hereto and their successor(s) or assign(s).

Section 7.03. Assignment. Purchaser, without the necessity of obtaining Seller's consent, may assign this Contract to the United States of America, acting by and through the Department of Agriculture Rural Development Administration and its successors and assigns, as security for any loan to be made by the United States Department of Agriculture Rural Development Administration to Purchaser. However, Purchaser may not otherwise transfer, sell, hypothecate or assign this Contract or Purchaser's rights and duties hereunder, without the express written consent of Seller. This provision shall in no way restrict the right of Purchaser to sell the water furnished by Seller under this Contract to any of Purchaser's customers.

Section 7.04. Notices. All notice, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given when sent by first-class mail, postage prepaid, addressed:

If to Seller:

City Manager City of Corsicana
200 North 12th Street
Corsicana, Texas 75110

If Purchaser:

Beaton Lake Water System
% Community Water
P.O. Box 730
Corsicana, Texas 75151-0730

or, in each case, at such other address in the State of Texas as may hereafter have been designated most recently in writing by the addressee to the addressor.

Section 7.05. Severability. In the event that any clause or provision of this Contract shall be held to be invalid by any court of competent jurisdiction, the invalidity of such clause or provision shall not affect any of the remaining provisions hereof. Each Party may specifically, but only in writing as provided in Section 6.04, waive any breach of this Contract by the other Party, but no such waiver shall be deemed to constitute a waiver of similar or other breaches by such other Party.

Section 7.06. Entire Agreement. This Contract contains the entire agreement of the Parties regarding the subject matter hereof, and no verbal or written agreement(s) or commitment(s) shall have any force or effect if not contained herein.

Section 7.07. Modification. This Contract may be modified or amended only by an instrument signed by the duly authorized representative of each of Party.

Section 7.08. Multiple Counterparts. This Contract may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute one and the same instrument.

Section 7.09. Caption Headings; Interpretation. The caption headings of this Contract are for reference purposes only and shall not affect its interpretation in any respect. This Contract and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein and to sustain the validity of this Contract.

Section 7.10. No provision of service. The parties agree that nothing set forth herein will be construed to constitute the provision of a good or service by Purchaser to the Seller.

IN WITNESS WHEREOF, the Parties hereto, acting under authority of their respective governing bodies, have caused this Contract to be duly executed in three (3) counterparts, each of which shall constitute an original.

SELLER:
CITY OF CORSICANA

By : _____
Mayor

By: _____
City Manager

PURCHASER
COMMUNITY WATER – BEATON LAKE WATER SYSTEM

ATTEST:

City Secretary – City of Corsicana



ITEM NO. 8F

DATE: March 23, 2026

**SUBJECT: Community Water – Northcrest Water System
Water Supply Contract**

Comments: The attached agreement sets forth the terms and conditions between the City of Corsicana and Community Water – Northcrest Water System for the sale and purchase of treated water from the City.

The City previously entered into a contract with Community Water – Northcrest on August 18, 2009, for the sale and purchase of treated water.

Community Water – Northcrest desires to enter into a new contract for the purchase of a volume not to exceed 60 gallons per minute or 86,400 gallons per month with a term of twenty (20) years.

Recommendation: Authorize the City Manager to execute a water supply contract with Community Water - Northcrest Water System for the purchase of potable water.

MOTION:

I MOVE TO (APPROVE/DENY) AUTHORIZING THE CITY MANAGER TO EXECUTE A WATER SUPPLY CONTRACT WITH COMMUNITY WATER – NORTHCREST WATER SYSTEM.

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORSICANA, TEXAS, AUTHORIZING THE CITY MANAGER TO EXECUTE A WATER SUPPLY CONTRACT BETWEEN THE CITY OF CORSICANA “SELLER” AND COMMUNITY WATER – NORTHCREST WATER SYSTEM “PURCHASER” TO PURCHASE WATER FROM SELLER.

WHEREAS, City of Corsicana “Seller” and Community Water – Northcrest Water System “Purchaser” have heretofore entered into that certain “Water Supply Contract” dated August 18, 2009 for a twenty (20) year term (collectively, the “Prior Contract”); and

WHEREAS, Purchaser has requested that the Prior Contract be renewed and not increased to not exceed 60 gallons per minute or 86,400 gallons per month to purchase water from Seller; and

WHEREAS, Seller has numerous wholesale customers, including Purchaser, under various contracts, and Seller desires to begin implementing a system-wide consistent Water Supply Contract containing rate making methodology for fair and non-discriminatory treatment of its wholesale customers, including Purchaser, using accepted rate making principles to recover the cost of providing service to said wholesale customers; and

WHEREAS, Seller and Purchaser desire to effect renewal of the Prior Contract as set forth herein and to completely restate herein the entire agreement between the parties into a new contract between the parties.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CORSICANA, TEXAS, THAT in consideration of the foregoing, the mutual benefits, covenants and agreements expressed herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged City of Corsicana “Seller” agrees to furnish and Community Water – Northcrest Water System “Purchaser” agrees to pay for potable water service under the terms and conditions in the attached Water Supply Contract.

PASSED and APPROVED by majority vote of the City Council of the City of Corsicana, Texas, this **23rd** day of **March, 2026**.

Joe Hill, Mayor

ATTEST:

Marcie Rosson, City Secretary

APPROVED AS TO FORM:

Kerri Anderson Donica, City Attorney

WATER SUPPLY CONTRACT

This Water Supply Contract (the "Contract") is entered into as of the ___ day of _____, 2026 (the "Effective Date"), between the CITY OF CORSICANA, Texas ("Seller") and Community Water – Northcrest Water System ("Purchaser").

RECITALS

WHEREAS, Seller and Purchaser have heretofore entered into that certain "Water Supply Contract" dated August 18, 2009; and

WHEREAS, Purchaser has requested the contract be renewed for 20 years to purchase water from Seller; and

NOW, THEREFORE, in consideration of the foregoing, the mutual benefits, covenants and agreements expressed herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Seller agrees to furnish and Purchaser agrees to pay for potable water service upon the following terms and conditions:

I.

DEFINITIONS

Section 1.01. Definitions. The following terms shall have the meaning assigned below wherever used in this Contract, unless the context clearly requires otherwise:

"Additional Wholesale Customers" means any persons or entities, other than Purchaser, receiving wholesale water service from Seller as provided in Section 2.08.

"Contract" means this Water Supply Contract between Seller and Purchaser.

"Delivery Points" means the mutually agreeable points, more fully described in Section 2.04, at which Seller will deliver potable water to Purchaser.

"Effective Date" means the date on which this Contract is made, as reflected in the first sentence on the first page of this Contract.

"Parties" means the Parties to this Contract, the Seller and Purchaser.

"Prior Contract" means the prior agreement, as amended, between Seller and Purchaser as described in the Recitals of this Contract.

"Purchaser" means Community Water – Northcrest Water System – PWS Number TX 1750038.

"Purchaser's Service Area" means the treated water service area, as currently designated in Purchaser's certificate of convenience and necessity (CCN) or other areas purchaser is legally

allowed to serve as shown on the map in Exhibit A, which may be amended by Purchaser with Seller's consent

"Purchaser's System" means the potable water storage and distribution facilities of Purchaser used by Purchaser to deliver the potable water to Purchaser's retail customers.

"Rate Schedule" means the rates stipulated for customers, including Purchaser, in the City of Corsicana's Schedule of Rates, as amended or revised by Seller's city council from time to time, but no more frequently than annually.

"Seller" means the City of Corsicana.

"Seller's System" means the property and facilities owned or used by Seller to supply, store, divert, treat, transport and deliver water to Seller's retail customers, Purchaser and Additional Wholesale Customers and all related property interests, rights, facilities, equipment and materials including (without limitation) any appurtenances, extensions, improvements, or additions thereto and replacements thereof.

"TCEQ" means the Texas Commission on Environmental Quality or any of its predecessor or successor agencies which perform substantially the same function(s).

"PUC" means the Public Utility Commission of Texas or any of its predecessor or successor agencies which perform substantially the same function(s).

Section 1.02. Prior Contract. The Prior Contract has expired or is otherwise being superseded and is replaced by this Contract. Any terms and conditions of the Prior Contract are replaced by the terms and conditions of this Contract.

II. **WATER SALES AND DELIVERY**

Section 2.01. Water Delivery. Subject to the terms and conditions of this Contract, Seller agrees to sell and deliver potable water meeting the minimum applicable standards for drinking water quality for human consumption (30 T.A.C. Chapter 290, Subchapter F) to Purchaser at the Delivery Points for municipal use within Purchaser's Service Area, in an amount sufficient to meet Purchaser's volume and demand requirements, but not to exceed 86,400 gallons per day or 60 gallons per minute.

Section 2.02. Availability and Deliverability. Seller's duty to deliver potable water under this Contract is subject to and limited by the availability, as determined by Seller, of Seller's water supply and Seller's ability to process and deliver the potable water to Purchaser through Seller's System. Such delivery will not be unreasonably withheld. In the event of severe drought conditions, emergencies, or other periods of water shortage Seller will impose any curtailments in potable water service equitably and in a non-discriminatory fashion, in accordance with Texas Water Code Section 11.039, to itself and all its retail and wholesale customers.

Section 2.03. Use of Water. The usufructory right to the water sold to Purchaser shall remain in Seller until it passes through the metering equipment located at the Delivery Points, at

which time such usufructory right shall transfer to Purchaser. Then, to the extent the reuse of return flows is allowed by law, the usufructory right to the water shall revert back to Seller as soon as Purchaser discharges the water into any State stream or watercourse pursuant to a wastewater discharge permit issued by TCEQ. Purchaser agrees that it shall acquire no rights or title for the use of water other than those rights explicitly set forth in this Contract. Nothing in this Contract, however, shall be construed as imposing any duty or liability on Seller regarding the quality of water discharged by Purchaser from Purchaser's System and all such duties and obligations shall be, and remain, those of Purchaser.

Section 2.04. Delivery Points. Initially, the Delivery Point is as follows: a point located at the Purchaser's meter in the vicinity of approximately 50 yards northeast of the intersection of North Beaton Street and Wilson Road. In the future, Purchaser may request additional delivery points for the delivery of potable water under this contract, which shall be deemed to be a part of this Contract (thereby amending this Section 2.04) if approved by Seller in writing.

Section 2.05. Water Pressure. The Parties acknowledge and agree that Seller is not responsible for the pressure at which potable water is supplied to Purchaser under this Contract at the Delivery Point(s) and is not obligated to maintain a pressure of any particular amount. Purchaser agrees to construct water storage, pumping, pressure maintenance or other facilities, as required, to accommodate and provide for Purchaser's pressure requirements. Such facilities shall be part of Purchaser's System and constructed, operated, and maintained at Purchaser's expense. Purchaser shall be considered in default if it fails to construct facilities as required to meet Purchaser's pressure requirements.

Section 2.06. Termination, Discontinuance and Curtailment of Service: Modification of Contract. Notwithstanding any other provision herein to the contrary, it is specifically understood and agreed between the parties that the obligation of Seller to provide potable water to the Purchaser during the term of this Contract is neither superior nor inferior to the obligation of Seller to provide similarly situated customers with water and to its Additional Customers or any future Additional Customers of Seller's System. Pursuant to such understanding, the parties hereby agree that if it is ever reasonably determined by Seller during the term of this Contract that it is unable to adequately provide water to its customers because of an emergency or shortage of water supply, production, treatment, storage or transportation capability in the Seller's System, or if Seller needs to cause repairs to be made to the Seller's System to repair, replace or improve the level of water service to its customers, then Seller shall have the right, after reasonable notice to the Purchaser and opportunity for consultation, to curtail or limit service to the Purchaser and all other customers of Seller on a reasonable, non-discriminatory basis so that all similarly situated customers are treated equally, fairly and uniformly. The Purchaser further agrees, in times of such emergency or shortage or the need for repair, replacement or improvement of the Seller's System, to take appropriate action to curtail or limit all usage by the Purchaser so that all users of the water from both entities will be equally and uniformly restricted and protected. Any such measures taken by the Purchaser will be at least as stringent as those adopted by Seller for the Seller. Notwithstanding anything herein to the contrary, if it is ever determined by any governmental or regulatory authority that provision of potable water by Seller under this Contract or curtailment or limitation of water by Seller to any of its customers is in violation of applicable law, regulation or

order, then Seller, after reasonable notice to the Purchaser and opportunity for consultation, may take such action as will best effectuate this Contract and comply with applicable law.

Section 2.07. Resale. Purchaser agrees not to convey water purchased from Seller to any person or entity outside Purchaser's Service Area, unless Purchaser has received prior written approval from Seller, which approval may be granted or denied at Seller's sole discretion. For purposes of this provision, "convey" means to sell, trade, donate, exchange, transfer title, or contract therefor.

Section 2.08. Additional Customers. Seller shall have the right to supply water to its retail customers and to enter into written treated water supply contracts with additional wholesale customers ("Additional Wholesale Customers"); provided, however, Seller agrees that it will not provide retail water utility service within Purchaser's Service Area unless Purchaser's Service Area is within the service area designated in Seller's certificate of convenience and necessity (CCN). Additional customers will be charged for water at rates established from time to time by the Seller's City Council. Seller reserves the right to establish different rates for customers taking water at different points of delivery or under pre-existing contracts as of the Effective Date; provided, however, the rates charged by Seller shall fairly allocate costs among all of Seller's customers, subject to such pre-existing contracts as of the Effective Date.

Section 2.09. Conservation Plan. Within 120 days of the Effective Date of this Contract, Purchaser shall develop, if it has not done so already, a water conservation plan which incorporates loss reduction measures and demand management practices designed to ensure that the potable water delivered under this Contract is used in an economically efficient and environmentally sensitive manner. Purchaser's conservation plan must comply with all requirements imposed by law, including (without limitation) any applicable rules of the TCEQ, and it shall be updated as necessary to remain compliant with such requirements. Upon request, Purchaser shall furnish a copy of its Conservation and Drought Contingency Plan to Seller. Purchaser's water conservation plan shall be at least as restrictive as the City's water conservation plan. Purchaser shall also provide the City with yearly estimates of unaccounted for water loss for Purchaser's system using the Texas Water Development Board's methodology for calculating water loss. The City reserves the right to amend quantities provided to Purchaser in this Contract and to set rate surcharges if the Purchaser's water loss is deemed by the City, in its sole discretion, to be too high.

III. **METERING**

Section 3.01. Installation; O&M. Seller shall design, construct, install, operate and maintain any meter vault(s), metering equipment, and associated appurtenances as determined by Seller, in its sole discretion, to be necessary to properly measure and control the quantity of water delivered to Purchaser under this Contract. Such metering equipment shall remain the property of Seller. Purchaser shall have access to such metering equipment at all reasonable times, but the reading, calibration, and adjustment of such metering equipment shall be conducted only by the employees or agents of Seller. Any metering equipment used under this Contract shall measure flow rate within an accuracy of $\pm 2\%$.

Section 3.02. Books and Records. For purposes of this Contract, the original record or reading of the meter shall be in a journal or other permanent record of Seller in its office. Upon written request of Purchaser, Seller will give Purchaser a copy of such journal or record, or permit Purchaser to have access thereto during reasonable business hours in the office of Seller wherein such records are customarily kept.

Section 3.03. Calibration. At least once each calendar year, Seller shall test the calibration of the metering equipment Seller installs pursuant to this Contract. By giving written notification to Seller, Purchaser may request one additional calibration test per year to be paid for solely by Purchaser. When such an additional calibration test is requested, the additional calibration test shall be conducted in the presence of an authorized representative of Purchaser as soon as possible after the Seller receives the requests. Purchaser shall have the right to have a representative present at any calibration test conducted under this Contract, and Seller shall give Purchaser at least forty-eight (48) hours advanced notice before each calibration. If a representative of Purchaser is not present at the time set in Seller's notice, Seller may proceed with calibration test and any adjustment(s) in the absence of any representative of Purchaser. After each calibration test, Seller shall provide Purchaser with the test results.

Section 3.04. Inaccuracy; Down Time. If any calibration test reveals that the percentage of inaccuracy of any metering equipment used under this contract is in excess of two percent (2%), registration of such metering equipment shall be corrected for a period extending back to the time when such inaccuracy began, if such time is ascertainable. The correction shall apply if the meter is over reading or under reading. If such time is not ascertainable, then the registration shall be corrected for a period extending back one-half(1/2) of the time elapsed since the last date of calibration, but in no event further back than a period of six (6) months. If for any reason any metering equipment is out of service or out of repair so that the actual amount of water delivered during such period cannot be ascertained or computed, the amount of water delivered during such period may be estimated: (i) by correcting the error, if the percentage of the error is ascertainable by calibration tests or mathematical calculation; or (ii) by estimating the quantity of water delivered by deliveries during the preceding period under similar conditions when the meter or meters were registering accurately.

Section 3.05. Ingress and Egress. Purchaser agrees to provide ingress and egress for Seller's employees and agents to install, operate, inspect, test, and maintain facilities owned or maintained by Seller on Purchaser's premises.

IV. **BILLING AND PAYMENT**

Section 4.01. Payments for Service. Purchaser shall pay Seller monthly for water delivered pursuant to this Contract at prevailing rates established in Seller's Rate Schedule (Class III – Wholesale Contract Customers). Seller's duty to fix just, reasonable and non-discriminatory rates is subject to Seller's obligations under any other water sale contracts existing as of the Effective Date.

Section 4.02. Initial Rates. At the time of the execution of this Contract, the prevailing rates under Seller's Rate Schedule applicable to water delivered pursuant to this Contract are

\$85.12 for a 2" meter including the first 1,000 gallons, and volumetric rates of \$4.90 per 1,000 for 1,001 to 10,000 gallons, \$5.05 per 1,000 for 10,001 to 25,000 gallons and \$5.15 per 1,000 for any volume in excess of 25,000 gallons.

In addition, a charge of \$5.21 per 1,000 gallons used per month shall be charged when the water usage is in excess of the maximum amount agreed to be furnished by the Seller. The Parties acknowledge and agree that these stated rates, while prevailing as of the execution of this Contract, may be changed or modified from time to time by Seller in accordance with Section 4.03 of this Contract during the time it remains in effect.

Section 4.03. Rate Revision.

a. Purchaser acknowledges and agrees that Seller's City Council has the right to revise by ordinance, from time to time and as needed, the rates charged hereunder to cover all reasonable, actual, and expected costs incurred by Seller to provide the potable water supply service to Seller's customers. If, during the term of this contract, Seller in its discretion revises the City wholesale water rate (Class III – Wholesale Contract Customer), then such revised rate shall apply to water purchases by Purchaser under this Contract on the effective date specified for the rate in the adopting ordinance, or the date of the adopting ordinance if no effective date is specified.

b. Following notice of any rate revision(s), Purchaser, in addition to all other remedies provided by law, shall have the right to seek a review of said rate revision under Section 13.043, Texas Water Code and applicable TCEQ or PUC rules.

c. Except during emergencies when Seller is unable to meet all of Purchaser's water supply needs, Purchaser agrees to use the water purchased from Seller under this Contract to meet all of the needs of Purchaser's customers. If in any calendar year during this Contract, Purchaser obtains water from another source other than for said emergency purposes, then Purchaser shall in any event pay Seller during said calendar year for a minimum amount of water equal to the greater of the amount of water actually delivered by Seller to Purchaser during each monthly billing cycle during said year or 113,083 gallons per monthly billing cycle during said year.

Section 4.04. Connection Fee. If required, Purchaser shall pay to Seller, as an agreed cost, a separate fee to connect ("connection fee") Purchaser's delivery and distribution system to Seller's Delivery System (this fee applies to new or upgraded connections). The connection fee shall be determined by the size of the tap, meter and meter vault required. Connection fees shall be excluded from Seller's rate base for purposes establishing rates under Seller's Rate Schedule.

Section 4.05. Billing Procedure. Seller will render bills for the payments required by Section 4.01 on or before the tenth (10th) day of each month. Such bills shall be due and payable on or before the fifth (5th) day of the succeeding month or twenty-five (25) days after such bill is deposited in the United States mail, properly stamped and addressed, whichever is later. Bills shall be deemed paid when payment actually has been received by Seller. A late charge of ten percent (10%) shall be applied to any bill not paid on or before the due date. Seller may from time to time,

by forty-five (45) days written notice, change the monthly date on which it shall render bills and the corresponding due dates.

Section 4.06. Disputed Bills. If Purchaser disputes the amount of a bill rendered by Seller pursuant to this Contract, Purchaser shall nevertheless pay such bill in accordance with Section 4.05. If it is subsequently determined by agreement or a final and unappealable court or PUC order that the amount of the disputed bill should have been less (or more), the amount of the bill shall be promptly and appropriately adjusted, and the amount of any reimbursement (or additional payment) that is due after the adjustment shall be paid by the owing Party within ten (10) days of such event. If not paid when due, such amounts shall bear interest at the rate of ten percent (10%) per annum from the due date until paid. Provided, however, interest may be waived by the Party to whom the amount is owed.

V. STANDARDS

Section 5.01. Plumbing Regulations. To the extent Seller and Purchaser have the authority, both covenant and agree to adopt and enforce adequate plumbing regulations with provisions for the proper enforcement thereof, to ensure that neither cross-connection or other undesirable plumbing practices are permitted, including an agreement with each of their respective water customers that allows the retail provider to said customer to inspect individual water facilities prior to providing service to ensure that no substandard materials are used and to prevent cross-connection and other undesirable plumbing practices.

Section 5.02. Air Gaps; Backflow Preventers. Purchaser shall provide air gaps for the first ground storage and backflow preventers for the first elevated storage from the point of connection(s) to the Seller's system.

(A) *Testing of assemblies.*

All required backflow assemblies shall be tested upon installation by a recognized backflow prevention assembly tester and certified to be operating within specifications. Backflow prevention assemblies which are installed to provide protection against health hazards must also be tested and certified to be operating within specifications at least annually by a recognized backflow prevention assembly tester. Wholesale water connections, which require backflow protection, must be tested and certified to be operating within specifications at least annually by a recognized backflow prevention assembly tester.

(B) *Maintenance of assemblies.* A person who owns, operates, or manages a premise in which a required backflow prevention assembly is installed shall maintain such assemblies in proper working order at all times, including such repairs as may be necessary to keep the assembly in proper working order. The maintenance and repair of all assemblies shall be done in accordance with the applicable regulations of the TCEQ and this article. A backflow prevention assembly shall be maintained in a manner that allows the assembly to be tested by a method that has been approved by TCEQ.

VI.
TERMINATION: REMEDIES: VENUE: FORCE MAJEURE

Section 6.01. Termination Due to illegality or impossibility . Seller may terminate this Contract if it becomes illegal or impossible for Seller to perform its obligations hereunder due to the occurrence of any one or more of the following:

- (A) the cancellation, amendment, or other limitation by any local, state, or federal agency of any permit(s), amendment(s), license(s), or authorization(s) required for Seller to appropriate for municipal use and/or sell the water to be furnished to Purchaser under this Contract or to operate and maintain Seller's System to deliver such water; or
- (B) the final adoption or issuance of any order, rule, regulation or determination by a court or governmental agency rendering this Contract unenforceable. Seller will vigorously defend against any such order, rule, regulation or determination, including the timely filing and diligent prosecution of any appeal necessary to ensure Seller's delivery of water under the provisions of this Contract. Seller shall not consent to the adoption or issuance of any order, rule, regulation or court or governmental agency determination rendering Seller's service to Purchaser illegal or impossible.

If Seller desires to terminate this Contract by reason of any of these events, Seller shall, within three (3) months after it acquires knowledge of such event, deliver to Purchaser a written notice stating such desire, describing the event, and specifying the date on which this Contract is to terminate and become null and void, which date shall be at least six (6) months from the date of such notice.

Section 6.02. Termination for Non-Payment. If Seller determines Purchaser has not paid the full amount owed for any payment due to Seller under this Contract within the time provided therefor, Seller shall give written notice to Purchaser stating the amount Seller has determined is due and unpaid. If the Seller gives notice as provided herein and Purchaser fails to pay within thirty (30) days the amounts claimed in such notice to be due and unpaid, Seller may, at its sole option and upon giving ten (10) days written notice to Purchaser, terminate this Contract without recourse. If Purchaser should dispute its obligation to pay all or any part of the amount stated in any statement or notice, Purchaser may, in addition to all other rights that Purchaser may have under law, pay such amount under protest, in which case such amount shall be deposited by Seller in an interest bearing account at the official depository of the Seller pending final resolution of such dispute. Seller may not terminate this Contract for failure to pay the amount stated in any statement or notice if Purchaser pays such amount under protest. In the event Purchaser timely appeals any change in rates as provided at Section 4.03 of this Contract, Purchaser may not treat that appeal as a dispute falling under this Section and Seller shall not deposit any amounts that Purchaser may pay under protest into a separate account during the pendency of such an appeal..

Section 6.03. Termination Due to Default. Except as otherwise provided herein, if either Party defaults in the observance or performance of any of the material provisions, agreements, or conditions to be observed or performed on its part under this Contract, the other Party may give

written notice to the Party in default of its intention to terminate this Contract, specifying the material failure or default relied upon. Upon the expiration of forty-five (45) days after the giving of such notice, this Contract shall terminate without recourse, unless, within such forty-five (45) day period, or such longer period as may be specified in such notice or any amendment of or supplement to such notice, the default specified in such notice shall have been fully cured. In the event that either party defaults in accordance with the Contract, any water rights assigned by the Purchaser to the Seller will revert to the Purchaser.

Section 6.04. Waiver. No rights under this Contract may be waived except by written amendment executed by both Parties.

Section 6.05. Remedies Not Exclusive. The remedies expressly set forth in this Contract shall not be considered exclusive.

Section 6.06. Venue. The Parties acknowledge and agree that this Contract's place of performance is Navarro County, Texas. Any legal proceeding brought to enforce this Contract or any provision hereof shall be brought in Navarro County, Texas.

Section 6.07. Damage to Systems. Neither Party shall be liable for damages to the other Party's System resulting from actions of the Parties in compliance with this Contract, unless such damage is due to the Party's negligence or willful misconduct.

Section 6.08. Chemical and Bacteriological Content. Purchaser agrees to hold Seller whole and harmless from any claims or damages arising as a result of the chemical or bacteriological content of the water provided to Purchaser under this Contract, unless such claims or damages are caused by the Seller's negligence or willful misconduct. Seller will provide water meeting applicable TCEQ and EPA water quality requirements at the delivery point unless preventing from doing so as described in Section 6.10.

Section 6.09. Intentionally omitted.

Section 6.10. Force Majeure. If by reason of force majeure, either Party shall be rendered unable, wholly or in part, to carry out its obligations under this Contract, and if such Party gives notice and full particulars of such force majeure, in writing, to the other Party within a reasonable time after occurrence of the event or cause relied on. the obligations of the Party giving such notice (other than obligations for the payment of money), so far as they are affected by such force majeure, shall be suspended during the continuance of the inability then claimed, including a reasonable time for removal of the effect thereof. The term "force majeure" shall mean acts of God, strikes, lockouts or other industrial disturbances, acts of the public enemy, orders of any kind of the Government of the United States, or of any state thereof, or of any agency of the United States or any state, or any other civil or military authority, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, tornadoes, storms, floods, washouts, droughts, arrests, civil disturbances, explosions, breakage or accidents to machinery, equipment, transmission pipes, canals or similar facilities, shortages of labor, materials, supplies or transportation, or any other cause not reasonably within the control of the Party claiming such inability. The Parties shall use their best efforts to remove the cause of any force majeure. The

requirement that any force majeure shall be reasonably beyond the control of the Party shall be deemed to be fulfilled even though the existing or impending strike, lockout or other industrial disturbance may not be settled but could have been settled by acceding to the demand of the opposing person or persons.

Section 6.11. Indemnity. Purchaser shall indemnify Seller and hold Seller harmless for any loss or payment made on any claim or liability for injury or damage to Seller or Seller's equipment or facilities caused by the negligence of Purchaser, its employees, agents or assigns or for any other damages (regardless of negligence) arising out of Purchaser's use of water.

VII. GENERAL PROVISIONS

Section 7.01. Term and Renewal. This Contract shall be effective as of the Effective Date, and, unless sooner terminated as provided herein, shall remain in effect for 20 years from the date of this Contract. The Contract, however, may be extended for such term(s) as may be agreed upon by Seller and Purchaser. If Seller and Purchaser have not agreed to extend the term of this Contract within fifteen years from the date of this Contract, Purchaser shall develop alternative, or replacement supplies prior to the expiration of this Contract. No continuation of Seller's obligation to provide water beyond the expiration date shall be implied.

Section 7.02. No Third Party Beneficiary. The Parties hereto are entering into this Contract solely for the benefit of themselves and agree that nothing herein shall be construed to confer any right, privilege, or benefit on any person or entity other than the Parties hereto and their successor(s) or assign(s).

Section 7.03. Assignment. Purchaser, without the necessity of obtaining Seller's consent, may assign this Contract to the United States of America, acting by and through the Department of Agriculture Rural Development Administration and its successors and assigns, as security for any loan to be made by the United States Department of Agriculture Rural Development Administration to Purchaser. However, Purchaser may not otherwise transfer, sell, hypothecate or assign this Contract or Purchaser's rights and duties hereunder, without the express written consent of Seller. This provision shall in no way restrict the right of Purchaser to sell the water furnished by Seller under this Contract to any of Purchaser's customers.

Section 7.04. Notices. All notice, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given when sent by first-class mail, postage prepaid, addressed:

If to Seller:

City Manager City of Corsicana
200 North 12th Street
Corsicana, Texas 75110

If Purchaser:

Northcrest Water System
% Community Water Company
P. O. Box 730
Corsicana, Texas 75151-0730

or, in each case, at such other address in the State of Texas as may hereafter have been designated most recently in writing by the addressee to the addressor.

Section 7.05. Severability. In the event that any clause or provision of this Contract shall be held to be invalid by any court of competent jurisdiction, the invalidity of such clause or provision shall not affect any of the remaining provisions hereof. Each Party may specifically, but only in writing as provided in Section 6.04, waive any breach of this Contract by the other Party, but no such waiver shall be deemed to constitute a waiver of similar or other breaches by such other Party.

Section 7.06. Entire Agreement. This Contract contains the entire agreement of the Parties regarding the subject matter hereof, and no verbal or written agreement(s) or commitment(s) shall have any force or effect if not contained herein.

Section 7.07. Modification. This Contract may be modified or amended only by an instrument signed by the duly authorized representative of each of Party.

Section 7.08. Multiple Counterparts. This Contract may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute one and the same instrument.

Section 7.09. Caption Headings; Interpretation. The caption headings of this Contract are for reference purposes only and shall not affect its interpretation in any respect. This Contract and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein and to sustain the validity of this Contract.

Section 7.10. No provision of service. The parties agree that nothing set forth herein will be construed to constitute the provision of a good or service by Purchaser to the Seller.

IN WITNESS WHEREOF, the Parties hereto, acting under authority of their respective governing bodies, have caused this Contract to be duly executed in three (3) counterparts, each of which shall constitute an original.

SELLER:
CITY OF CORSICANA

By : _____
Mayor

By: _____
City Manager

PURCHASER
COMMUNITY WATER – NORTHCREST

ATTEST:

City Secretary – City of Corsicana

EXHIBIT "A"



ITEM NO. 8G

DATE: March 23, 2026

**SUBJECT: Community Water – Purdon Water System
Water Supply Contract**

Comments: The attached agreement sets forth the terms and conditions between the City of Corsicana and Community Water – Purdon Water System for the sale and purchase of treated water from the City.

The City previously entered into a contract with Community Water – Purdon Water System on March 5, 1968 as amended by document dated November 6, 1990 and March 4, 2008 and June 1, 2001, for the sale and purchase of treated water.

Community Water – Purdon desires to enter into a new contract for the purchase of a volume not to exceed 174 gallons per minute or 250,560 gallons per month with a term of twenty (20) years.

Recommendation: Authorize the City Manager to execute a water supply contract with Community Water - Purdon Water System for the purchase of potable water.

MOTION:

I MOVE TO (APPROVE/DENY) AUTHORIZING THE CITY MANAGER TO EXECUTE A WATER SUPPLY CONTRACT WITH COMMUNITY WATER – PURDON WATER SYSTEM.

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORSICANA, TEXAS, AUTHORIZING THE CITY MANAGER TO EXECUTE A WATER SUPPLY CONTRACT BETWEEN THE CITY OF CORSICANA “SELLER” AND COMMUNITY WATER – PURDON WATER SYSTEM “PURCHASER” TO PURCHASE WATER FROM SELLER.

WHEREAS, City of Corsicana “Seller” and Community Water – Purdon Water System “Purchaser” have heretofore entered into that certain “Water Supply Contract” dated November 6, 1990 and March 4, 2008 and June 1, 2001 for a twenty (20) year term (collectively, the “Prior Contract”); and

WHEREAS, Purchaser has requested that the Prior Contract be renewed and not increased to not exceed 174 gallons per minute or 250,560 gallons per month to purchase water from Seller; and

WHEREAS, Seller has numerous wholesale customers, including Purchaser, under various contracts, and Seller desires to begin implementing a system-wide consistent Water Supply Contract containing rate making methodology for fair and non-discriminatory treatment of its wholesale customers, including Purchaser, using accepted rate making principles to recover the cost of providing service to said wholesale customers; and

WHEREAS, Seller and Purchaser desire to effect renewal of the Prior Contract as set forth herein and to completely restate herein the entire agreement between the parties into a new contract between the parties.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CORSICANA, TEXAS, THAT in consideration of the foregoing, the mutual benefits, covenants and agreements expressed herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged City of Corsicana “Seller” agrees to furnish and Community Water – Purdon Water System “Purchaser” agrees to pay for potable water service under the terms and conditions in the attached Water Supply Contract.

PASSED and APPROVED by majority vote of the City Council of the City of Corsicana, Texas, this **23rd** day of **March, 2026**.

Joe Hill, Mayor

ATTEST:

Marcie Rosson, City Secretary

APPROVED AS TO FORM:

Kerri Anderson Donica, City Attorney

WATER SUPPLY CONTRACT

This Water Supply Contract (the "Contract") is entered into as of the ___ day of _____, 2026 (the "Effective Date"), between the CITY OF CORSICANA, Texas ("Seller") and Community Water - Purdon Water System ("Purchaser").

RECITALS

WHEREAS, Seller and Purchaser have heretofore entered into that certain "Water Supply Contract" dated March 5, 1968 as amended by document dated November 6, 1990 and March 4, 2008 and June 1, 2001 (collectively, the "Prior Contract"); and

WHEREAS, Purchaser has requested the contract be renewed for 20 years to purchase water from Seller; and

NOW, THEREFORE, in consideration of the foregoing, the mutual benefits, covenants and agreements expressed herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Seller agrees to furnish and Purchaser agrees to pay for potable water service upon the following terms and conditions:

I.

DEFINITIONS

Section 1.01. Definitions. The following terms shall have the meaning assigned below wherever used in this Contract, unless the context clearly requires otherwise:

"Additional Wholesale Customers" means any persons or entities, other than Purchaser, receiving wholesale water service from Seller as provided in Section 2.08.

"Contract" means this Water Supply Contract between Seller and Purchaser.

"Delivery Points" means the mutually agreeable points, more fully described in Section 2.04, at which Seller will deliver potable water to Purchaser.

"Effective Date" means the date on which this Contract is made, as reflected in the first sentence on the first page of this Contract.

"Parties" means the Parties to this Contract, the Seller and Purchaser.

"Prior Contract" means the prior agreement, as amended, between Seller and Purchaser as described in the Recitals of this Contract.

"Purchaser" means Community Water – Purdon Water System PWS Number TX 1750018.

"Purchaser's Service Area" means the treated water service area, as currently designated in Purchaser's certificate of convenience and necessity (CCN) or other areas purchaser is legally

allowed to serve as shown on the map in Exhibit A, which may be amended by Purchaser with Seller's consent

"Purchaser's System" means the potable water storage and distribution facilities of Purchaser used by Purchaser to deliver the potable water to Purchaser's retail customers.

"Rate Schedule" means the rates stipulated for customers, including Purchaser, in the City of Corsicana's Schedule of Rates, as amended or revised by Seller's city council from time to time, but no more frequently than annually.

"Seller" means the City of Corsicana.

"Seller's System" means the property and facilities owned or used by Seller to supply, store, divert, treat, transport and deliver water to Seller's retail customers, Purchaser and Additional Wholesale Customers and all related property interests, rights, facilities, equipment and materials including (without limitation) any appurtenances, extensions, improvements, or additions thereto and replacements thereof.

"TCEQ" means the Texas Commission on Environmental Quality or any of its predecessor or successor agencies which perform substantially the same function(s).

"PUC" means the Public Utility Commission of Texas or any of its predecessor or successor agencies which perform substantially the same function(s).

Section 1.02. Prior Contract. The Prior Contract has expired or is otherwise being superseded and is replaced by this Contract. Any terms and conditions of the Prior Contract are replaced by the terms and conditions of this Contract.

II. **WATER SALES AND DELIVERY**

Section 2.01. Water Delivery. Subject to the terms and conditions of this Contract, Seller agrees to sell and deliver potable water meeting the minimum applicable standards for drinking water quality for human consumption (30 T.A.C. Chapter 290, Subchapter F) to Purchaser at the Delivery Points for municipal use within Purchaser's Service Area, in an amount sufficient to meet Purchaser's volume and demand requirements, but not to exceed 250,560 gallons per day or 174 gallons per minute.

Section 2.02. Availability and Deliverability. Seller's duty to deliver potable water under this Contract is subject to and limited by the availability, as determined by Seller, of Seller's water supply and Seller's ability to process and deliver the potable water to Purchaser through Seller's System. Such delivery will not be unreasonably withheld. In the event of severe drought conditions, emergencies, or other periods of water shortage Seller will impose any curtailments in potable water service equitably and in a non-discriminatory fashion, in accordance with Texas Water Code Section 11.039, to itself and all its retail and wholesale customers.

Section 2.03. Use of Water. The usufructory right to the water sold to Purchaser shall remain in Seller until it passes through the metering equipment located at the Delivery Points, at

which time such usufructory right shall transfer to Purchaser. Then, to the extent the reuse of return flows is allowed by law, the usufructory right to the water shall revert back to Seller as soon as Purchaser discharges the water into any State stream or watercourse pursuant to a wastewater discharge permit issued by TCEQ. Purchaser agrees that it shall acquire no rights or title for the use of water other than those rights explicitly set forth in this Contract. Nothing in this Contract, however, shall be construed as imposing any duty or liability on Seller regarding the quality of water discharged by Purchaser from Purchaser's System and all such duties and obligations shall be, and remain, those of Purchaser.

Section 2.04. Delivery Points. Initially, the Delivery Point is as follows: a point located at the Purchaser's meter in the vicinity of the City of Corsicana Booster Station near the intersection of FM55 and State Highway 31 at Silver City, Texas. In the future, Purchaser may request additional delivery points for the delivery of potable water under this contract, which shall be deemed to be a part of this Contract (thereby amending this Section 2.04) if approved by Seller in writing.

Section 2.05. Water Pressure. The Parties acknowledge and agree that Seller is not responsible for the pressure at which potable water is supplied to Purchaser under this Contract at the Delivery Point(s) and is not obligated to maintain a pressure of any particular amount. Purchaser agrees to construct water storage, pumping, pressure maintenance or other facilities, as required, to accommodate and provide for Purchaser's pressure requirements. Such facilities shall be part of Purchaser's System and constructed, operated, and maintained at Purchaser's expense. Purchaser shall be considered in default if it fails to construct facilities as required to meet Purchaser's pressure requirements.

Section 2.06. Termination, Discontinuance and Curtailment of Service: Modification of Contract. Notwithstanding any other provision herein to the contrary, it is specifically understood and agreed between the parties that the obligation of Seller to provide potable water to the Purchaser during the term of this Contract is neither superior nor inferior to the obligation of Seller to provide similarly situated customers with water and to its Additional Customers or any future Additional Customers of Seller's System. Pursuant to such understanding, the parties hereby agree that if it is ever reasonably determined by Seller during the term of this Contract that it is unable to adequately provide water to its customers because of an emergency or shortage of water supply, production, treatment, storage or transportation capability in the Seller's System, or if Seller needs to cause repairs to be made to the Seller's System to repair, replace or improve the level of water service to its customers, then Seller shall have the right, after reasonable notice to the Purchaser and opportunity for consultation, to curtail or limit service to the Purchaser and all other customers of Seller on a reasonable, non-discriminatory basis so that all similarly situated customers are treated equally, fairly and uniformly. The Purchaser further agrees, in times of such emergency or shortage or the need for repair, replacement or improvement of the Seller's System, to take appropriate action to curtail or limit all usage by the Purchaser so that all users of the water from both entities will be equally and uniformly restricted and protected. Any such measures taken by the Purchaser will be at least as stringent as those adopted by Seller for the Seller. Notwithstanding anything herein to the contrary, if it is ever determined by any governmental or regulatory authority that provision of potable water by Seller under this Contract or curtailment or limitation of water by Seller to any of its customers is in violation of applicable law, regulation or

order, then Seller, after reasonable notice to the Purchaser and opportunity for consultation, may take such action as will best effectuate this Contract and comply with applicable law.

Section 2.07. Resale. Purchaser agrees not to convey water purchased from Seller to any person or entity outside Purchaser's Service Area, unless Purchaser has received prior written approval from Seller, which approval may be granted or denied at Seller's sole discretion. For purposes of this provision, "convey" means to sell, trade, donate, exchange, transfer title, or contract therefor.

Section 2.08. Additional Customers. Seller shall have the right to supply water to its retail customers and to enter into written treated water supply contracts with additional wholesale customers ("Additional Wholesale Customers"); provided, however, Seller agrees that it will not provide retail water utility service within Purchaser's Service Area unless Purchaser's Service Area is within the service area designated in Seller's certificate of convenience and necessity (CCN). Additional customers will be charged for water at rates established from time to time by the Seller's City Council. Seller reserves the right to establish different rates for customers taking water at different points of delivery or under pre-existing contracts as of the Effective Date; provided, however, the rates charged by Seller shall fairly allocate costs among all of Seller's customers, subject to such pre-existing contracts as of the Effective Date.

Section 2.09. Conservation Plan. Within 120 days of the Effective Date of this Contract, Purchaser shall develop, if it has not done so already, a water conservation plan which incorporates loss reduction measures and demand management practices designed to ensure that the potable water delivered under this Contract is used in an economically efficient and environmentally sensitive manner. Purchaser's conservation plan must comply with all requirements imposed by law, including (without limitation) any applicable rules of the TCEQ, and it shall be updated as necessary to remain compliant with such requirements. Upon request, Purchaser shall furnish a copy of its Conservation and Drought Contingency Plan to Seller. Purchaser's water conservation plan shall be at least as restrictive as the City's water conservation plan. Purchaser shall also provide the City with yearly estimates of unaccounted for water loss for Purchaser's system using the Texas Water Development Board's methodology for calculating water loss. The City reserves the right to amend quantities provided to Purchaser in this Contract and to set rate surcharges if the Purchaser's water loss is deemed by the City, in its sole discretion, to be too high.

III. **METERING**

Section 3.01. Installation; O&M. Seller shall design, construct, install, operate and maintain any meter vault(s), metering equipment, and associated appurtenances as determined by Seller, in its sole discretion, to be necessary to properly measure and control the quantity of water delivered to Purchaser under this Contract. Such metering equipment shall remain the property of Seller. Purchaser shall have access to such metering equipment at all reasonable times, but the reading, calibration, and adjustment of such metering equipment shall be conducted only by the employees or agents of Seller. Any metering equipment used under this Contract shall measure flow rate within an accuracy of $\pm 2\%$.

Section 3.02. Books and Records. For purposes of this Contract, the original record or reading of the meter shall be in a journal or other permanent record of Seller in its office. Upon written request of Purchaser, Seller will give Purchaser a copy of such journal or record, or permit Purchaser to have access thereto during reasonable business hours in the office of Seller wherein such records are customarily kept.

Section 3.03. Calibration. At least once each calendar year, Seller shall test the calibration of the metering equipment Seller installs pursuant to this Contract. By giving written notification to Seller, Purchaser may request one additional calibration test per year to be paid for solely by Purchaser. When such an additional calibration test is requested, the additional calibration test shall be conducted in the presence of an authorized representative of Purchaser as soon as possible after the Seller receives the requests. Purchaser shall have the right to have a representative present at any calibration test conducted under this Contract, and Seller shall give Purchaser at least forty-eight (48) hours advanced notice before each calibration. If a representative of Purchaser is not present at the time set in Seller's notice, Seller may proceed with calibration test and any adjustment(s) in the absence of any representative of Purchaser. After each calibration test, Seller shall provide Purchaser with the test results.

Section 3.04. Inaccuracy; Down Time. If any calibration test reveals that the percentage of inaccuracy of any metering equipment used under this contract is in excess of two percent (2%), registration of such metering equipment shall be corrected for a period extending back to the time when such inaccuracy began, if such time is ascertainable. The correction shall apply if the meter is over reading or under reading. If such time is not ascertainable, then the registration shall be corrected for a period extending back one-half(1/2) of the time elapsed since the last date of calibration, but in no event further back than a period of six (6) months. If for any reason any metering equipment is out of service or out of repair so that the actual amount of water delivered during such period cannot be ascertained or computed, the amount of water delivered during such period may be estimated: (i) by correcting the error, if the percentage of the error is ascertainable by calibration tests or mathematical calculation; or (ii) by estimating the quantity of water delivered by deliveries during the preceding period under similar conditions when the meter or meters were registering accurately.

Section 3.05. Ingress and Egress. Purchaser agrees to provide ingress and egress for Seller's employees and agents to install, operate, inspect, test, and maintain facilities owned or maintained by Seller on Purchaser's premises.

IV. **BILLING AND PAYMENT**

Section 4.01. Payments for Service. Purchaser shall pay Seller monthly for water delivered pursuant to this Contract at prevailing rates established in Seller's Rate Schedule (Class III – Wholesale Contract Customers). Seller's duty to fix just, reasonable and non-discriminatory rates is subject to Seller's obligations under any other water sale contracts existing as of the Effective Date.

Section 4.02. Initial Rates. At the time of the execution of this Contract, the prevailing rates under Seller's Rate Schedule applicable to water delivered pursuant to this Contract are

\$85.12 for a 2” meter including the first 1,000 gallons, and volumetric rates of \$4.90 per 1,000 for 1,001 to 10,000 gallons, \$5.05 per 1,000 for 10,001 to 25,000 gallons and \$5.15 per 1,000 for any volume in excess of 25,000 gallons.

In addition, a charge of \$5.21 per 1,000 gallons used per month shall be charged when the water usage is in excess of the maximum amount agreed to be furnished by the Seller. The Parties acknowledge and agree that these stated rates, while prevailing as of the execution of this Contract, may be changed or modified from time to time by Seller in accordance with Section 4.03 of this Contract during the time it remains in effect.

Section 4.03. Rate Revision.

a. Purchaser acknowledges and agrees that Seller's City Council has the right to revise by ordinance, from time to time and as needed, the rates charged hereunder to cover all reasonable, actual, and expected costs incurred by Seller to provide the potable water supply service to Seller's customers. If, during the term of this contract, Seller in its discretion revises the City wholesale water rate (Class III – Wholesale Contract Customer), then such revised rate shall apply to water purchases by Purchaser under this Contract on the effective date specified for the rate in the adopting ordinance, or the date of the adopting ordinance if no effective date is specified.

b. Following notice of any rate revision(s), Purchaser, in addition to all other remedies provided by law, shall have the right to seek a review of said rate revision under Section 13.043, Texas Water Code and applicable TCEQ or PUC rules.

c. Except during emergencies when Seller is unable to meet all of Purchaser's water supply needs, Purchaser agrees to use the water purchased from Seller under this Contract to meet all of the needs of Purchaser's customers. If in any calendar year during this Contract, Purchaser obtains water from another source other than for said emergency purposes, then Purchaser shall in any event pay Seller during said calendar year for a minimum amount of water equal to the greater of the amount of water actually delivered by Seller to Purchaser during each monthly billing cycle during said year or 516,800 gallons per monthly billing cycle during said year.

Section 4.04. Connection Fee. If required, Purchaser shall pay to Seller, as an agreed cost, a separate fee to connect ("connection fee") Purchaser's delivery and distribution system to Seller's Delivery System (this fee applies to new or upgraded connections). The connection fee shall be determined by the size of the tap, meter and meter vault required. Connection fees shall be excluded from Seller's rate base for purposes establishing rates under Seller's Rate Schedule.

Section 4.05. Billing Procedure. Seller will render bills for the payments required by Section 4.01 on or before the tenth (10th) day of each month. Such bills shall be due and payable on or before the fifth (5th) day of the succeeding month or twenty-five (25) days after such bill is deposited in the United States mail, properly stamped and addressed, whichever is later. Bills shall be deemed paid when payment actually has been received by Seller. A late charge of ten percent (10%) shall be applied to any bill not paid on or before the due date. Seller may from time to time,

by forty-five (45) days written notice, change the monthly date on which it shall render bills and the corresponding due dates.

Section 4.06. Disputed Bills. If Purchaser disputes the amount of a bill rendered by Seller pursuant to this Contract, Purchaser shall nevertheless pay such bill in accordance with Section 4.05. If it is subsequently determined by agreement or a final and unappealable court or PUC order that the amount of the disputed bill should have been less (or more), the amount of the bill shall be promptly and appropriately adjusted, and the amount of any reimbursement (or additional payment) that is due after the adjustment shall be paid by the owing Party within ten (10) days of such event. If not paid when due, such amounts shall bear interest at the rate of ten percent (10%) per annum from the due date until paid. Provided, however, interest may be waived by the Party to whom the amount is owed.

V. STANDARDS

Section 5.01. Plumbing Regulations. To the extent Seller and Purchaser have the authority, both covenant and agree to adopt and enforce adequate plumbing regulations with provisions for the proper enforcement thereof, to ensure that neither cross-connection or other undesirable plumbing practices are permitted, including an agreement with each of their respective water customers that allows the retail provider to said customer to inspect individual water facilities prior to providing service to ensure that no substandard materials are used and to prevent cross-connection and other undesirable plumbing practices.

Section 5.02. Air Gaps; Backflow Preventers. Purchaser shall provide air gaps for the first ground storage and backflow preventers for the first elevated storage from the point of connection(s) to the Seller's system.

(A) *Testing of assemblies.*

All required backflow assemblies shall be tested upon installation by a recognized backflow prevention assembly tester and certified to be operating within specifications. Backflow prevention assemblies which are installed to provide protection against health hazards must also be tested and certified to be operating within specifications at least annually by a recognized backflow prevention assembly tester. Wholesale water connections, which require backflow protection, must be tested and certified to be operating within specifications at least annually by a recognized backflow prevention assembly tester.

(B) *Maintenance of assemblies.* A person who owns, operates, or manages a premise in which a required backflow prevention assembly is installed shall maintain such assemblies in proper working order at all times, including such repairs as may be necessary to keep the assembly in proper working order. The maintenance and repair of all assemblies shall be done in accordance with the applicable regulations of the TCEQ and this article. A backflow prevention assembly shall be maintained in a manner that allows the assembly to be tested by a method that has been approved by TCEQ.

VI.
TERMINATION: REMEDIES: VENUE: FORCE MAJEURE

Section 6.01. Termination Due to illegality or impossibility . Seller may terminate this Contract if it becomes illegal or impossible for Seller to perform its obligations hereunder due to the occurrence of any one or more of the following:

- (A) the cancellation, amendment, or other limitation by any local, state, or federal agency of any permit(s), amendment(s), license(s), or authorization(s) required for Seller to appropriate for municipal use and/or sell the water to be furnished to Purchaser under this Contract or to operate and maintain Seller's System to deliver such water; or
- (B) the final adoption or issuance of any order, rule, regulation or determination by a court or governmental agency rendering this Contract unenforceable. Seller will vigorously defend against any such order, rule, regulation or determination, including the timely filing and diligent prosecution of any appeal necessary to ensure Seller's delivery of water under the provisions of this Contract. Seller shall not consent to the adoption or issuance of any order, rule, regulation or court or governmental agency determination rendering Seller's service to Purchaser illegal or impossible.

If Seller desires to terminate this Contract by reason of any of these events, Seller shall, within three (3) months after it acquires knowledge of such event, deliver to Purchaser a written notice stating such desire, describing the event, and specifying the date on which this Contract is to terminate and become null and void, which date shall be at least six (6) months from the date of such notice.

Section 6.02. Termination for Non-Payment. If Seller determines Purchaser has not paid the full amount owed for any payment due to Seller under this Contract within the time provided therefor, Seller shall give written notice to Purchaser stating the amount Seller has determined is due and unpaid. If the Seller gives notice as provided herein and Purchaser fails to pay within thirty (30) days the amounts claimed in such notice to be due and unpaid, Seller may, at its sole option and upon giving ten (10) days written notice to Purchaser, terminate this Contract without recourse. If Purchaser should dispute its obligation to pay all or any part of the amount stated in any statement or notice, Purchaser may, in addition to all other rights that Purchaser may have under law, pay such amount under protest, in which case such amount shall be deposited by Seller in an interest bearing account at the official depository of the Seller pending final resolution of such dispute. Seller may not terminate this Contract for failure to pay the amount stated in any statement or notice if Purchaser pays such amount under protest. In the event Purchaser timely appeals any change in rates as provided at Section 4.03 of this Contract, Purchaser may not treat that appeal as a dispute falling under this Section and Seller shall not deposit any amounts that Purchaser may pay under protest into a separate account during the pendency of such an appeal..

Section 6.03. Termination Due to Default. Except as otherwise provided herein, if either Party defaults in the observance or performance of any of the material provisions, agreements, or conditions to be observed or performed on its part under this Contract, the other Party may give

written notice to the Party in default of its intention to terminate this Contract, specifying the material failure or default relied upon. Upon the expiration of forty-five (45) days after the giving of such notice, this Contract shall terminate without recourse, unless, within such forty-five (45) day period, or such longer period as may be specified in such notice or any amendment of or supplement to such notice, the default specified in such notice shall have been fully cured. In the event that either party defaults in accordance with the Contract, any water rights assigned by the Purchaser to the Seller will revert to the Purchaser.

Section 6.04. Waiver. No rights under this Contract may be waived except by written amendment executed by both Parties.

Section 6.05. Remedies Not Exclusive. The remedies expressly set forth in this Contract shall not be considered exclusive.

Section 6.06. Venue. The Parties acknowledge and agree that this Contract's place of performance is Navarro County, Texas. Any legal proceeding brought to enforce this Contract or any provision hereof shall be brought in Navarro County, Texas.

Section 6.07. Damage to Systems. Neither Party shall be liable for damages to the other Party's System resulting from actions of the Parties in compliance with this Contract, unless such damage is due to the Party's negligence or willful misconduct.

Section 6.08. Chemical and Bacteriological Content. Purchaser agrees to hold Seller whole and harmless from any claims or damages arising as a result of the chemical or bacteriological content of the water provided to Purchaser under this Contract, unless such claims or damages are caused by the Seller's negligence or willful misconduct. Seller will provide water meeting applicable TCEQ and EPA water quality requirements at the delivery point unless preventing from doing so as described in Section 6.10.

Section 6.09. Intentionally omitted.

Section 6.10. Force Majeure. If by reason of force majeure, either Party shall be rendered unable, wholly or in part, to carry out its obligations under this Contract, and if such Party gives notice and full particulars of such force majeure, in writing, to the other Party within a reasonable time after occurrence of the event or cause relied on. the obligations of the Party giving such notice (other than obligations for the payment of money), so far as they are affected by such force majeure, shall be suspended during the continuance of the inability then claimed, including a reasonable time for removal of the effect thereof. The term "force majeure" shall mean acts of God, strikes, lockouts or other industrial disturbances, acts of the public enemy, orders of any kind of the Government of the United States, or of any state thereof, or of any agency of the United States or any state, or any other civil or military authority, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, tornadoes, storms, floods, washouts, droughts, arrests, civil disturbances, explosions, breakage or accidents to machinery, equipment, transmission pipes, canals or similar facilities, shortages of labor, materials, supplies or transportation, or any other cause not reasonably within the control of the Party claiming such inability. The Parties shall use their best efforts to remove the cause of any force majeure. The

requirement that any force majeure shall be reasonably beyond the control of the Party shall be deemed to be fulfilled even though the existing or impending strike, lockout or other industrial disturbance may not be settled but could have been settled by acceding to the demand of the opposing person or persons.

Section 6.11. Indemnity. Purchaser shall indemnify Seller and hold Seller harmless for any loss or payment made on any claim or liability for injury or damage to Seller or Seller's equipment or facilities caused by the negligence of Purchaser, its employees, agents or assigns or for any other damages (regardless of negligence) arising out of Purchaser's use of water.

VII. GENERAL PROVISIONS

Section 7.01. Term and Renewal. This Contract shall be effective as of the Effective Date, and, unless sooner terminated as provided herein, shall remain in effect for 20 years from the date of this Contract. The Contract, however, may be extended for such term(s) as may be agreed upon by Seller and Purchaser. If Seller and Purchaser have not agreed to extend the term of this Contract within fifteen years from the date of this Contract, Purchaser shall develop alternative, or replacement supplies prior to the expiration of this Contract. No continuation of Seller's obligation to provide water beyond the expiration date shall be implied.

Section 7.02. No Third Party Beneficiary. The Parties hereto are entering into this Contract solely for the benefit of themselves and agree that nothing herein shall be construed to confer any right, privilege, or benefit on any person or entity other than the Parties hereto and their successor(s) or assign(s).

Section 7.03. Assignment. Purchaser, without the necessity of obtaining Seller's consent, may assign this Contract to the United States of America, acting by and through the Department of Agriculture Rural Development Administration and its successors and assigns, as security for any loan to be made by the United States Department of Agriculture Rural Development Administration to Purchaser. However, Purchaser may not otherwise transfer, sell, hypothecate or assign this Contract or Purchaser's rights and duties hereunder, without the express written consent of Seller. This provision shall in no way restrict the right of Purchaser to sell the water furnished by Seller under this Contract to any of Purchaser's customers.

Section 7.04. Notices. All notice, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given when sent by first-class mail, postage prepaid, addressed:

If to Seller:

City Manager City of Corsicana
200 North 12th Street
Corsicana, Texas 75110

If Purchaser:

Purdon Water System
% Community Water Company
P.O. Box 730
Corsicana, Texas 75151-0730

or, in each case, at such other address in the State of Texas as may hereafter have been designated most recently in writing by the addressee to the addressor.

Section 7.05. Severability. In the event that any clause or provision of this Contract shall be held to be invalid by any court of competent jurisdiction, the invalidity of such clause or provision shall not affect any of the remaining provisions hereof. Each Party may specifically, but only in writing as provided in Section 6.04, waive any breach of this Contract by the other Party, but no such waiver shall be deemed to constitute a waiver of similar or other breaches by such other Party.

Section 7.06. Entire Agreement. This Contract contains the entire agreement of the Parties regarding the subject matter hereof, and no verbal or written agreement(s) or commitment(s) shall have any force or effect if not contained herein.

Section 7.07. Modification. This Contract may be modified or amended only by an instrument signed by the duly authorized representative of each of Party.

Section 7.08. Multiple Counterparts. This Contract may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute one and the same instrument.

Section 7.09. Caption Headings; Interpretation. The caption headings of this Contract are for reference purposes only and shall not affect its interpretation in any respect. This Contract and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein and to sustain the validity of this Contract.

Section 7.10. No provision of service. The parties agree that nothing set forth herein will be construed to constitute the provision of a good or service by Purchaser to the Seller.

IN WITNESS WHEREOF, the Parties hereto, acting under authority of their respective governing bodies, have caused this Contract to be duly executed in three (3) counterparts, each of which shall constitute an original.

SELLER:
CITY OF CORSICANA

By : _____
Mayor

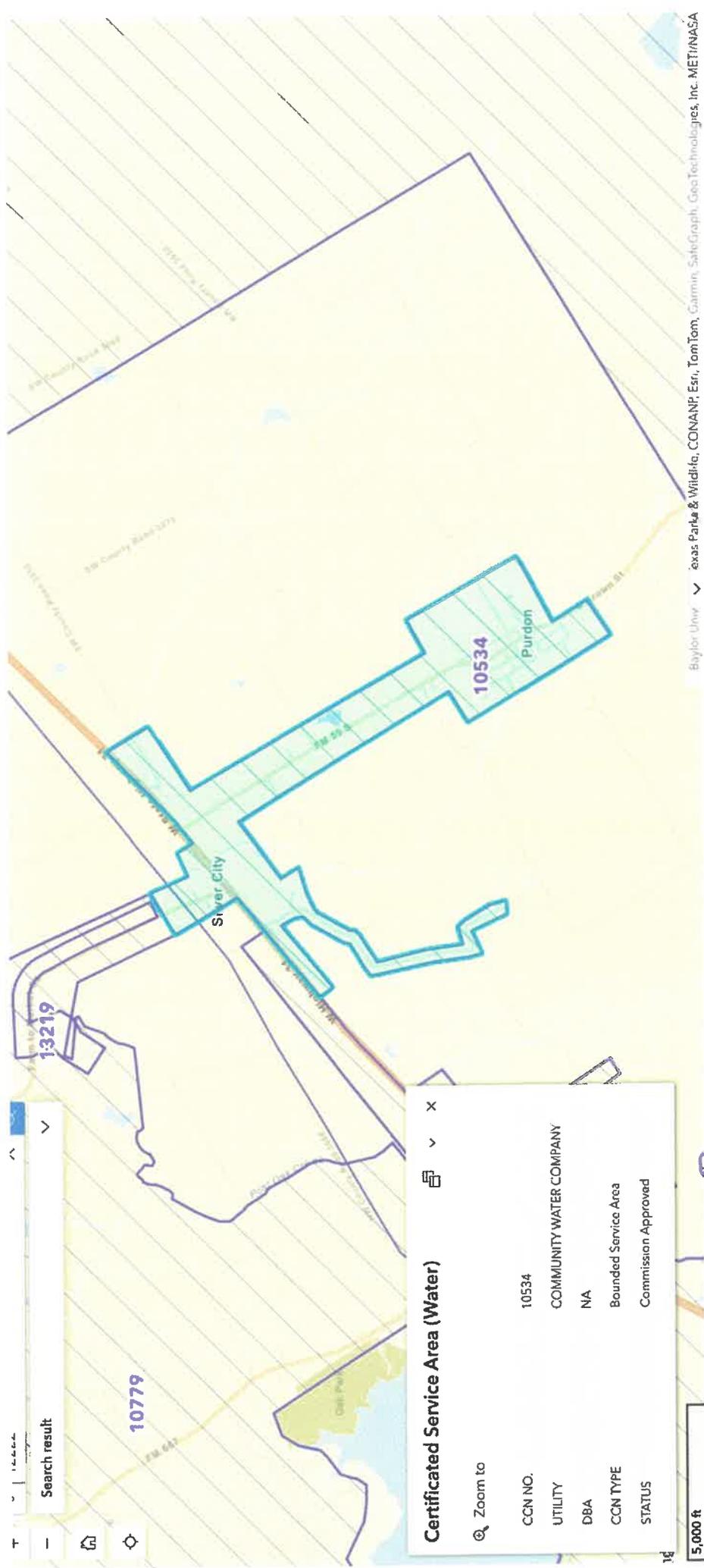
By: _____
City Manager

PURCHASER
COMMUNITY WATER - PURDON WATER SYSTEM

ATTEST:

City Secretary – City of Corsicana

EXHIBIT "A"



ITEM NO. 8H

DATE: March 23, 2026

**SUBJECT: Community Water – Retreat Water System
Water Supply Contract**

Comments: The attached agreement sets forth the terms and conditions between the City of Corsicana and Community Water – Retreat Water System for the sale and purchase of treated water from the City.

The City previously entered into a contract with Community Water – Purdon on March 4, 2008, for the sale and purchase of treated water.

Community Water – Purdon desires to enter into a new contract for the purchase of a volume not to exceed 640 gallons per minute or 922,000 gallons per month with a term of twenty (20) years.

Recommendation: Authorize the City Manager to execute a water supply contract with Community Water - Retreat Water System for the purchase of potable water.

MOTION:

I MOVE TO (APPROVE/DENY) AUTHORIZING THE CITY MANAGER EXECUTE A WATER SUPPLY CONTRACT WITH COMMUNITY WATER – RETREAT WATER SYSTEM.

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORSICANA, TEXAS, AUTHORIZING THE CITY MANAGER TO EXECUTE A WATER SUPPLY CONTRACT BETWEEN THE CITY OF CORSICANA “SELLER” AND COMMUNITY WATER – RETREAT WATER SYSTEM “PURCHASER” TO PURCHASE WATER FROM SELLER.

WHEREAS, City of Corsicana “Seller” and Community Water – Retreat Water System “Purchaser” have heretofore entered into that certain “Water Supply Contract” dated March 4, 2008 for a twenty (20) year term (collectively, the “Prior Contract”); and

WHEREAS, Purchaser has requested that the Prior Contract be renewed and not increased to not exceed 640 gallons per minute or 922,000 gallons per month to purchase water from Seller; and

WHEREAS, Seller has numerous wholesale customers, including Purchaser, under various contracts, and Seller desires to begin implementing a system-wide consistent Water Supply Contract containing rate making methodology for fair and non-discriminatory treatment of its wholesale customers, including Purchaser, using accepted rate making principles to recover the cost of providing service to said wholesale customers; and

WHEREAS, Seller and Purchaser desire to effect renewal of the Prior Contract as set forth herein and to completely restate herein the entire agreement between the parties into a new contract between the parties.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CORSICANA, TEXAS, THAT in consideration of the foregoing, the mutual benefits, covenants and agreements expressed herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged City of Corsicana “Seller” agrees to furnish and Community Water – Retreat Water System “Purchaser” agrees to pay for potable water service under the terms and conditions in the attached Water Supply Contract.

PASSED and APPROVED by majority vote of the City Council of the City of Corsicana, Texas, this **23rd** day of **March, 2026**.

Joe Hill, Mayor

ATTEST:

Marcie Rosson, City Secretary

APPROVED AS TO FORM:

Kerri Anderson Donica, City Attorney

WATER SUPPLY CONTRACT

This Water Supply Contract (the "Contract") is entered into as of the ___ day of _____, 2026 (the "Effective Date"), between the CITY OF CORSICANA, Texas ("Seller") and Community Water – Retreat Water System ("Purchaser").

RECITALS

WHEREAS, Seller and Purchaser have heretofore entered into that certain "Water Supply Contract" dated March 4, 2008; and

WHEREAS, Purchaser has requested the contract be renewed for 20 years to purchase water from Seller; and

NOW, THEREFORE, in consideration of the foregoing, the mutual benefits, covenants and agreements expressed herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Seller agrees to furnish and Purchaser agrees to pay for potable water service upon the following terms and conditions:

I.

DEFINITIONS

Section 1.01. Definitions. The following terms shall have the meaning assigned below wherever used in this Contract, unless the context clearly requires otherwise:

"Additional Wholesale Customers" means any persons or entities, other than Purchaser, receiving wholesale water service from Seller as provided in Section 2.08.

"Contract" means this Water Supply Contract between Seller and Purchaser.

"Delivery Points" means the mutually agreeable points, more fully described in Section 2.04, at which Seller will deliver potable water to Purchaser.

"Effective Date" means the date on which this Contract is made, as reflected in the first sentence on the first page of this Contract.

"Parties" means the Parties to this Contract, the Seller and Purchaser.

"Prior Contract" means the prior agreement, as amended, between Seller and Purchaser as described in the Recitals of this Contract.

"Purchaser" means Community Water – Retreat Water System PWS Number TX 1750031.

"Purchaser's Service Area" means the treated water service area, as currently designated in Purchaser's certificate of convenience and necessity (CCN) or other areas purchaser is legally allowed to serve as shown on the map in Exhibit A, which may be amended by Purchaser with Seller's consent

"*Purchaser's System*" means the potable water storage and distribution facilities of Purchaser used by Purchaser to deliver the potable water to Purchaser's retail customers.

"*Rate Schedule*" means the rates stipulated for customers, including Purchaser, in the City of Corsicana's Schedule of Rates, as amended or revised by Seller's city council from time to time, but no more frequently than annually.

"*Seller*" means the City of Corsicana.

"*Seller's System*" means the property and facilities owned or used by Seller to supply, store, divert, treat, transport and deliver water to Seller's retail customers, Purchaser and Additional Wholesale Customers and all related property interests, rights, facilities, equipment and materials including (without limitation) any appurtenances, extensions, improvements, or additions thereto and replacements thereof.

"*TCEQ*" means the Texas Commission on Environmental Quality or any of its predecessor or successor agencies which perform substantially the same function(s).

"*PUC*" means the Public Utility Commission of Texas or any of its predecessor or successor agencies which perform substantially the same function(s).

Section 1.02. Prior Contract. The Prior Contract has expired or is otherwise being superseded and is replaced by this Contract. Any terms and conditions of the Prior Contract are replaced by the terms and conditions of this Contract.

II.

WATER SALES AND DELIVERY

Section 2.01. Water Delivery. Subject to the terms and conditions of this Contract, Seller agrees to sell and deliver potable water meeting the minimum applicable standards for drinking water quality for human consumption (30 T.A.C. Chapter 290, Subchapter F) to Purchaser at the Delivery Points for municipal use within Purchaser's Service Area, in an amount sufficient to meet Purchaser's volume and demand requirements, but not to exceed 922,000 gallons per day or 640 gallons per minute.

Section 2.02. Availability and Deliverability. Seller's duty to deliver potable water under this Contract is subject to and limited by the availability, as determined by Seller, of Seller's water supply and Seller's ability to process and deliver the potable water to Purchaser through Seller's System. Such delivery will not be unreasonably withheld. In the event of severe drought conditions, emergencies, or other periods of water shortage Seller will impose any curtailments in potable water service equitably and in a non-discriminatory fashion, in accordance with Texas Water Code Section 11.039, to itself and all its retail and wholesale customers.

Section 2.03. Use of Water. The usufructory right to the water sold to Purchaser shall remain in Seller until it passes through the metering equipment located at the Delivery Points, at which time such usufructory right shall transfer to Purchaser. Then, to the extent the reuse of return flows is allowed by law, the usufructory right to the water shall revert back to Seller as soon as

Purchaser discharges the water into any State stream or watercourse pursuant to a wastewater discharge permit issued by TCEQ. Purchaser agrees that it shall acquire no rights or title for the use of water other than those rights explicitly set forth in this Contract. Nothing in this Contract, however, shall be construed as imposing any duty or liability on Seller regarding the quality of water discharged by Purchaser from Purchaser's System and all such duties and obligations shall be, and remain, those of Purchaser.

Section 2.04. Delivery Points. Initially, the Delivery Point is as follows: a point located at the Purchaser's meter in the vicinity of approximately 300 yards Southeast of the intersection of South 15th Street and FM 709. In the future, Purchaser may request additional delivery points for the delivery of potable water under this contract, which shall be deemed to be a part of this Contract (thereby amending this Section 2.04) if approved by Seller in writing.

Section 2.05. Water Pressure. The Parties acknowledge and agree that Seller is not responsible for the pressure at which potable water is supplied to Purchaser under this Contract at the Delivery Point(s) and is not obligated to maintain a pressure of any particular amount. Purchaser agrees to construct water storage, pumping, pressure maintenance or other facilities, as required, to accommodate and provide for Purchaser's pressure requirements. Such facilities shall be part of Purchaser's System and constructed, operated, and maintained at Purchaser's expense. Purchaser shall be considered in default if it fails to construct facilities as required to meet Purchaser's pressure requirements.

Section 2.06. Termination, Discontinuance and Curtailment of Service: Modification of Contract. Notwithstanding any other provision herein to the contrary, it is specifically understood and agreed between the parties that the obligation of Seller to provide potable water to the Purchaser during the term of this Contract is neither superior nor inferior to the obligation of Seller to provide similarly situated customers with water and to its Additional Customers or any future Additional Customers of Seller's System. Pursuant to such understanding, the parties hereby agree that if it is ever reasonably determined by Seller during the term of this Contract that it is unable to adequately provide water to its customers because of an emergency or shortage of water supply, production, treatment, storage or transportation capability in the Seller's System, or if Seller needs to cause repairs to be made to the Seller's System to repair, replace or improve the level of water service to its customers, then Seller shall have the right, after reasonable notice to the Purchaser and opportunity for consultation, to curtail or limit service to the Purchaser and all other customers of Seller on a reasonable, non-discriminatory basis so that all similarly situated customers are treated equally, fairly and uniformly. The Purchaser further agrees, in times of such emergency or shortage or the need for repair, replacement or improvement of the Seller's System, to take appropriate action to curtail or limit all usage by the Purchaser so that all users of the water from both entities will be equally and uniformly restricted and protected. Any such measures taken by the Purchaser will be at least as stringent as those adopted by Seller for the Seller. Notwithstanding anything herein to the contrary, if it is ever determined by any governmental or regulatory authority that provision of potable water by Seller under this Contract or curtailment or limitation of water by Seller to any of its customers is in violation of applicable law, regulation or order, then Seller, after reasonable notice to the Purchaser and opportunity for consultation, may take such action as will best effectuate this Contract and comply with applicable law.

Section 2.07. Resale. Purchaser agrees not to convey water purchased from Seller to any person or entity outside Purchaser's Service Area, unless Purchaser has received prior written approval from Seller, which approval may be granted or denied at Seller's sole discretion. For purposes of this provision, "convey" means to sell, trade, donate, exchange, transfer title, or contract therefor.

Section 2.08. Additional Customers. Seller shall have the right to supply water to its retail customers and to enter into written treated water supply contracts with additional wholesale customers ("Additional Wholesale Customers"); provided, however, Seller agrees that it will not provide retail water utility service within Purchaser's Service Area unless Purchaser's Service Area is within the service area designated in Seller's certificate of convenience and necessity (CCN). Additional customers will be charged for water at rates established from time to time by the Seller's City Council. Seller reserves the right to establish different rates for customers taking water at different points of delivery or under pre-existing contracts as of the Effective Date; provided, however, the rates charged by Seller shall fairly allocate costs among all of Seller's customers, subject to such pre-existing contracts as of the Effective Date.

Section 2.09. Conservation Plan. Within 120 days of the Effective Date of this Contract, Purchaser shall develop, if it has not done so already, a water conservation plan which incorporates loss reduction measures and demand management practices designed to ensure that the potable water delivered under this Contract is used in an economically efficient and environmentally sensitive manner. Purchaser's conservation plan must comply with all requirements imposed by law, including (without limitation) any applicable rules of the TCEQ, and it shall be updated as necessary to remain compliant with such requirements. Upon request, Purchaser shall furnish a copy of its Conservation and Drought Contingency Plan to Seller. Purchaser's water conservation plan shall be at least as restrictive as the City's water conservation plan. Purchaser shall also provide the City with yearly estimates of unaccounted for water loss for Purchaser's system using the Texas Water Development Board's methodology for calculating water loss. The City reserves the right to amend quantities provided to Purchaser in this Contract and to set rate surcharges if the Purchaser's water loss is deemed by the City, in its sole discretion, to be too high.

III.

METERING

Section 3.01. Installation; O&M. Seller shall design, construct, install, operate and maintain any meter vault(s), metering equipment, and associated appurtenances as determined by Seller, in its sole discretion, to be necessary to properly measure and control the quantity of water delivered to Purchaser under this Contract. Such metering equipment shall remain the property of Seller. Purchaser shall have access to such metering equipment at all reasonable times, but the reading, calibration, and adjustment of such metering equipment shall be conducted only by the employees or agents of Seller. Any metering equipment used under this Contract shall measure flow rate within an accuracy of $\pm 2\%$.

Section 3.02. Books and Records. For purposes of this Contract, the original record or reading of the meter shall be in a journal or other permanent record of Seller in its office. Upon written request of Purchaser, Seller will give Purchaser a copy of such journal or record, or permit

Purchaser to have access thereto during reasonable business hours in the office of Seller wherein such records are customarily kept.

Section 3.03. Calibration. At least once each calendar year, Seller shall test the calibration of the metering equipment Seller installs pursuant to this Contract. By giving written notification to Seller, Purchaser may request one additional calibration test per year to be paid for solely by Purchaser. When such an additional calibration test is requested, the additional calibration test shall be conducted in the presence of an authorized representative of Purchaser as soon as possible after the Seller receives the requests. Purchaser shall have the right to have a representative present at any calibration test conducted under this Contract, and Seller shall give Purchaser at least forty-eight (48) hours advanced notice before each calibration. If a representative of Purchaser is not present at the time set in Seller's notice, Seller may proceed with calibration test and any adjustment(s) in the absence of any representative of Purchaser. After each calibration test, Seller shall provide Purchaser with the test results.

Section 3.04. Inaccuracy; Down Time. If any calibration test reveals that the percentage of inaccuracy of any metering equipment used under this contract is in excess of two percent (2%), registration of such metering equipment shall be corrected for a period extending back to the time when such inaccuracy began, if such time is ascertainable. The correction shall apply if the meter is over reading or under reading. If such time is not ascertainable, then the registration shall be corrected for a period extending back one-half(1/2) of the time elapsed since the last date of calibration, but in no event further back than a period of six (6) months. If for any reason any metering equipment is out of service or out of repair so that the actual amount of water delivered during such period cannot be ascertained or computed, the amount of water delivered during such period may be estimated: (i) by correcting the error, if the percentage of the error is ascertainable by calibration tests or mathematical calculation; or (ii) by estimating the quantity of water delivered by deliveries during the preceding period under similar conditions when the meter or meters were registering accurately.

Section 3.05. Ingress and Egress. Purchaser agrees to provide ingress and egress for Seller's employees and agents to install, operate, inspect, test, and maintain facilities owned or maintained by Seller on Purchaser's premises.

IV. **BILLING AND PAYMENT**

Section 4.01. Payments for Service. Purchaser shall pay Seller monthly for water delivered pursuant to this Contract at prevailing rates established in Seller's Rate Schedule (Class III – Wholesale Contract Customers). Seller's duty to fix just, reasonable and non-discriminatory rates is subject to Seller's obligations under any other water sale contracts existing as of the Effective Date.

Section 4.02. Initial Rates. At the time of the execution of this Contract, the prevailing rates under Seller's Rate Schedule applicable to water delivered pursuant to this Contract are \$264.30 for a 4" meter including the first 1,000 gallons, and volumetric rates of \$4.90 per 1,000 for 1,001 to 10,000 gallons, \$5.05 per 1,000 for 10,001 to 25,000 gallons and \$5.15 per 1,000 for any volume in excess of 25,000 gallons.

In addition, a charge of \$5.21 per 1,000 gallons used per month shall be charged when the water usage is in excess of the maximum amount agreed to be furnished by the Seller. The Parties acknowledge and agree that these stated rates, while prevailing as of the execution of this Contract, may be changed or modified from time to time by Seller in accordance with Section 4.03 of this Contract during the time it remains in effect.

Section 4.03. Rate Revision.

a. Purchaser acknowledges and agrees that Seller's City Council has the right to revise by ordinance, from time to time and as needed, the rates charged hereunder to cover all reasonable, actual, and expected costs incurred by Seller to provide the potable water supply service to Seller's customers. If, during the term of this contract, Seller in its discretion revises the City wholesale water rate (Class III – Wholesale Contract Customer), then such revised rate shall apply to water purchases by Purchaser under this Contract on the effective date specified for the rate in the adopting ordinance, or the date of the adopting ordinance if no effective date is specified.

b. Following notice of any rate revision(s), Purchaser, in addition to all other remedies provided by law, shall have the right to seek a review of said rate revision under Section 13.043, Texas Water Code and applicable TCEQ or PUC rules.

c. Except during emergencies when Seller is unable to meet all of Purchaser's water supply needs, Purchaser agrees to use the water purchased from Seller under this Contract to meet all of the needs of Purchaser's customers. If in any calendar year during this Contract, Purchaser obtains water from another source other than for said emergency purposes, then Purchaser shall in any event pay Seller during said calendar year for a minimum amount of water equal to the greater of the amount of water actually delivered by Seller to Purchaser during each monthly billing cycle during said year or 660,000 gallons per monthly billing cycle during said year.

Section 4.04. Connection Fee. If required, Purchaser shall pay to Seller, as an agreed cost, a separate fee to connect ("connection fee") Purchaser's delivery and distribution system to Seller's Delivery System (this fee applies to new or upgraded connections). The connection fee shall be determined by the size of the tap, meter and meter vault required. Connection fees shall be excluded from Seller's rate base for purposes establishing rates under Seller's Rate Schedule.

Section 4.05. Billing Procedure. Seller will render bills for the payments required by Section 4.01 on or before the tenth (10th) day of each month. Such bills shall be due and payable on or before the fifth (5th) day of the succeeding month or twenty-five (25) days after such bill is deposited in the United States mail, properly stamped and addressed, whichever is later. Bills shall be deemed paid when payment actually has been received by Seller. A late charge of ten percent (10%) shall be applied to any bill not paid on or before the due date. Seller may from time to time, by forty-five (45) days written notice, change the monthly date on which it shall render bills and the corresponding due dates.

Section 4.06. Disputed Bills. If Purchaser disputes the amount of a bill rendered by Seller pursuant to this Contract, Purchaser shall nevertheless pay such bill in accordance with Section 4.05 If it is subsequently determined by agreement or a final and unappealable court or PUC order that the amount of the disputed bill should have been less (or more), the amount of the bill shall be promptly and appropriately adjusted, and the amount of any reimbursement (or additional payment) that is due after the adjustment shall be paid by the owing Party within ten (10) days of such event. If not paid when due, such amounts shall bear interest at the rate of ten percent (10%) per annum from the due date until paid. Provided, however, interest may be waived by the Party to whom the amount is owed.

V. STANDARDS

Section 5.01. Plumbing Regulations. To the extent Seller and Purchaser have the authority, both covenant and agree to adopt and enforce adequate plumbing regulations with provisions for the proper enforcement thereof, to ensure that neither cross-connection or other undesirable plumbing practices are permitted, including an agreement with each of their respective water customers that allows the retail provider to said customer to inspect individual water facilities prior to providing service to ensure that no substandard materials are used and to prevent cross-connection and other undesirable plumbing practices.

Section 5.02. Air Gaps; Backflow Preventers. Purchaser shall provide air gaps for the first ground storage and backflow preventers for the first elevated storage from the point of connection(s) to the Seller's system.

(A) *Testing of assemblies.*

All required backflow assemblies shall be tested upon installation by a recognized backflow prevention assembly tester and certified to be operating within specifications. Backflow prevention assemblies which are installed to provide protection against health hazards must also be tested and certified to be operating within specifications at least annually by a recognized backflow prevention assembly tester. Wholesale water connections, which require backflow protection, must be tested and certified to be operating within specifications at least annually by a recognized backflow prevention assembly tester.

(B) *Maintenance of assemblies.* A person who owns, operates, or manages a premise in which a required backflow prevention assembly is installed shall maintain such assemblies in proper working order at all times, including such repairs as may be necessary to keep the assembly in proper working order. The maintenance and repair of all assemblies shall be done in accordance with the applicable regulations of the TCEQ and this article. A backflow prevention assembly shall be maintained in a manner that allows the assembly to be tested by a method that has been approved by TCEQ.

VI.

TERMINATION: REMEDIES: VENUE: FORCE MAJEURE

Section 6.01. Termination Due to illegality or impossibility . Seller may terminate this Contract if it becomes illegal or impossible for Seller to perform its obligations hereunder due to the occurrence of any one or more of the following:

- (A) the cancellation, amendment, or other limitation by any local, state, or federal agency of any permit(s), amendment(s), license(s), or authorization(s) required for Seller to appropriate for municipal use and/or sell the water to be furnished to Purchaser under this Contract or to operate and maintain Seller's System to deliver such water; or
- (B) the final adoption or issuance of any order, rule, regulation or determination by a court or governmental agency rendering this Contract unenforceable. Seller will vigorously defend against any such order, rule, regulation or determination, including the timely filing and diligent prosecution of any appeal necessary to ensure Seller's delivery of water under the provisions of this Contract. Seller shall not consent to the adoption or issuance of any order, rule, regulation or court or governmental agency determination rendering Seller's service to Purchaser illegal or impossible.

If Seller desires to terminate this Contract by reason of any of these events, Seller shall, within three (3) months after it acquires knowledge of such event, deliver to Purchaser a written notice stating such desire, describing the event, and specifying the date on which this Contract is to terminate and become null and void, which date shall be at least six (6) months from the date of such notice.

Section 6.02. Termination for Non-Payment. If Seller determines Purchaser has not paid the full amount owed for any payment due to Seller under this Contract within the time provided therefor, Seller shall give written notice to Purchaser stating the amount Seller has determined is due and unpaid. If the Seller gives notice as provided herein and Purchaser fails to pay within thirty (30) days the amounts claimed in such notice to be due and unpaid, Seller may, at its sole option and upon giving ten (10) days written notice to Purchaser, terminate this Contract without recourse. If Purchaser should dispute its obligation to pay all or any part of the amount stated in any statement or notice, Purchaser may, in addition to all other rights that Purchaser may have under law, pay such amount under protest, in which case such amount shall be deposited by Seller in an interest bearing account at the official depository of the Seller pending final resolution of such dispute. Seller may not terminate this Contract for failure to pay the amount stated in any statement or notice if Purchaser pays such amount under protest. In the event Purchaser timely appeals any change in rates as provided at Section 4.03 of this Contract, Purchaser may not treat that appeal as a dispute falling under this Section and Seller shall not deposit any amounts that Purchaser may pay under protest into a separate account during the pendency of such an appeal..

Section 6.03. Termination Due to Default. Except as otherwise provided herein, if either Party defaults in the observance or performance of any of the material provisions, agreements, or conditions to be observed or performed on its part under this Contract, the other Party may give written notice to the Party in default of its intention to terminate this Contract, specifying the material failure or default relied upon. Upon the expiration of forty-five (45) days after the giving of such notice, this Contract shall terminate without recourse, unless, within such forty-five (45) day period, or such longer period as may be specified in such notice or any amendment of or supplement to such notice, the default specified in such notice shall have been fully cured. In the

event that either party defaults in accordance with the Contract, any water rights assigned by the Purchaser to the Seller will revert to the Purchaser.

Section 6.04. Waiver. No rights under this Contract may be waived except by written amendment executed by both Parties.

Section 6.05. Remedies Not Exclusive. The remedies expressly set forth in this Contract shall not be considered exclusive.

Section 6.06. Venue. The Parties acknowledge and agree that this Contract's place of performance is Navarro County, Texas. Any legal proceeding brought to enforce this Contract or any provision hereof shall be brought in Navarro County, Texas.

Section 6.07. Damage to Systems. Neither Party shall be liable for damages to the other Party's System resulting from actions of the Parties in compliance with this Contract, unless such damage is due to the Party's negligence or willful misconduct.

Section 6.08. Chemical and Bacteriological Content. Purchaser agrees to hold Seller whole and harmless from any claims or damages arising as a result of the chemical or bacteriological content of the water provided to Purchaser under this Contract, unless such claims or damages are caused by the Seller's negligence or willful misconduct. Seller will provide water meeting applicable TCEQ and EPA water quality requirements at the delivery point unless preventing from doing so as described in Section 6.10.

Section 6.09. Intentionally omitted.

Section 6.10. Force Majeure. If by reason of force majeure, either Party shall be rendered unable, wholly or in part, to carry out its obligations under this Contract, and if such Party gives notice and full particulars of such force majeure, in writing, to the other Party within a reasonable time after occurrence of the event or cause relied on. the obligations of the Party giving such notice (other than obligations for the payment of money), so far as they are affected by such force majeure, shall be suspended during the continuance of the inability then claimed, including a reasonable time for removal of the effect thereof. The term "force majeure" shall mean acts of God, strikes, lockouts or other industrial disturbances, acts of the public enemy, orders of any kind of the Government of the United States, or of any state thereof, or of any agency of the United States or any state, or any other civil or military authority, insurrections, riots, epidemics, landslides, lightening, earthquakes, fires, hurricanes, tornadoes, storms, floods, washouts, droughts, arrests, civil disturbances, explosions, breakage or accidents to machinery, equipment, transmission pipes, canals or similar facilities, shortages of labor, materials, supplies or transportation, or any other cause not reasonably within the control of the Party claiming such inability. The Parties shall use their best efforts to remove the cause of any force majeure. The requirement that any force majeure shall be reasonably beyond the control of the Party shall be deemed to be fulfilled even though the existing or impending strike, lockout or other industrial disturbance may not be settled but could have been settled by acceding to the demand of the opposing person or persons.

Section 6.11. Indemnity. Purchaser shall indemnify Seller and hold Seller harmless for any loss or payment made on any claim or liability for injury or damage to Seller or Seller's equipment or facilities caused by the negligence of Purchaser, its employees, agents or assigns or for any other damages (regardless of negligence) arising out of Purchaser's use of water.

VII.
GENERAL PROVISIONS

Section 7.01. Term and Renewal. This Contract shall be effective as of the Effective Date, and, unless sooner terminated as provided herein, shall remain in effect for 20 years from the date of this Contract. The Contract, however, may be extended for such term(s) as may be agreed upon by Seller and Purchaser. If Seller and Purchaser have not agreed to extend the term of this Contract within fifteen years from the date of this Contract, Purchaser shall develop alternative, or replacement supplies prior to the expiration of this Contract. No continuation of Seller's obligation to provide water beyond the expiration date shall be implied.

Section 7.02. No Third Party Beneficiary. The Parties hereto are entering into this Contract solely for the benefit of themselves and agree that nothing herein shall be construed to confer any right, privilege, or benefit on any person or entity other than the Parties hereto and their successor(s) or assign(s).

Section 7.03. Assignment. Purchaser, without the necessity of obtaining Seller's consent, may assign this Contract to the United States of America, acting by and through the Department of Agriculture Rural Development Administration and its successors and assigns, as security for any loan to be made by the United States Department of Agriculture Rural Development Administration to Purchaser. However, Purchaser may not otherwise transfer, sell, hypothecate or assign this Contract or Purchaser's rights and duties hereunder, without the express written consent of Seller. This provision shall in no way restrict the right of Purchaser to sell the water furnished by Seller under this Contract to any of Purchaser's customers.

Section 7.04. Notices. All notice, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given when sent by first-class mail, postage prepaid, addressed:

If to Seller:

City Manager City of Corsicana
200 North 12th Street
Corsicana, Texas 75110

If Purchaser:

Retreat Water System
% Community Water Company
P.O. Box 730
Corsicana, Texas 75151-0730

or, in each case, at such other address in the State of Texas as may hereafter have been designated most recently in writing by the addressee to the addressor.

Section 7.05. Severability. In the event that any clause or provision of this Contract shall be held to be invalid by any court of competent jurisdiction, the invalidity of such clause or provision shall not affect any of the remaining provisions hereof. Each Party may specifically, but only in writing as provided in Section 6.04, waive any breach of this Contract by the other Party, but no such waiver shall be deemed to constitute a waiver of similar or other breaches by such other Party.

Section 7.06. Entire Agreement. This Contract contains the entire agreement of the Parties regarding the subject matter hereof, and no verbal or written agreement(s) or commitment(s) shall have any force or effect if not contained herein.

Section 7.07. Modification. This Contract may be modified or amended only by an instrument signed by the duly authorized representative of each of Party.

Section 7.08. Multiple Counterparts. This Contract may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute one and the same instrument.

Section 7.09. Caption Headings: Interpretation. The caption headings of this Contract are for reference purposes only and shall not affect its interpretation in any respect. This Contract and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein and to sustain the validity of this Contract.

Section 7.10. No provision of service. The parties agree that nothing set forth herein will be construed to constitute the provision of a good or service by Purchaser to the Seller.

IN WITNESS WHEREOF, the Parties hereto, acting under authority of their respective governing bodies, have caused this Contract to be duly executed in three (3) counterparts, each of which shall constitute an original.

SELLER:
CITY OF CORSICANA

By : _____
Mayor

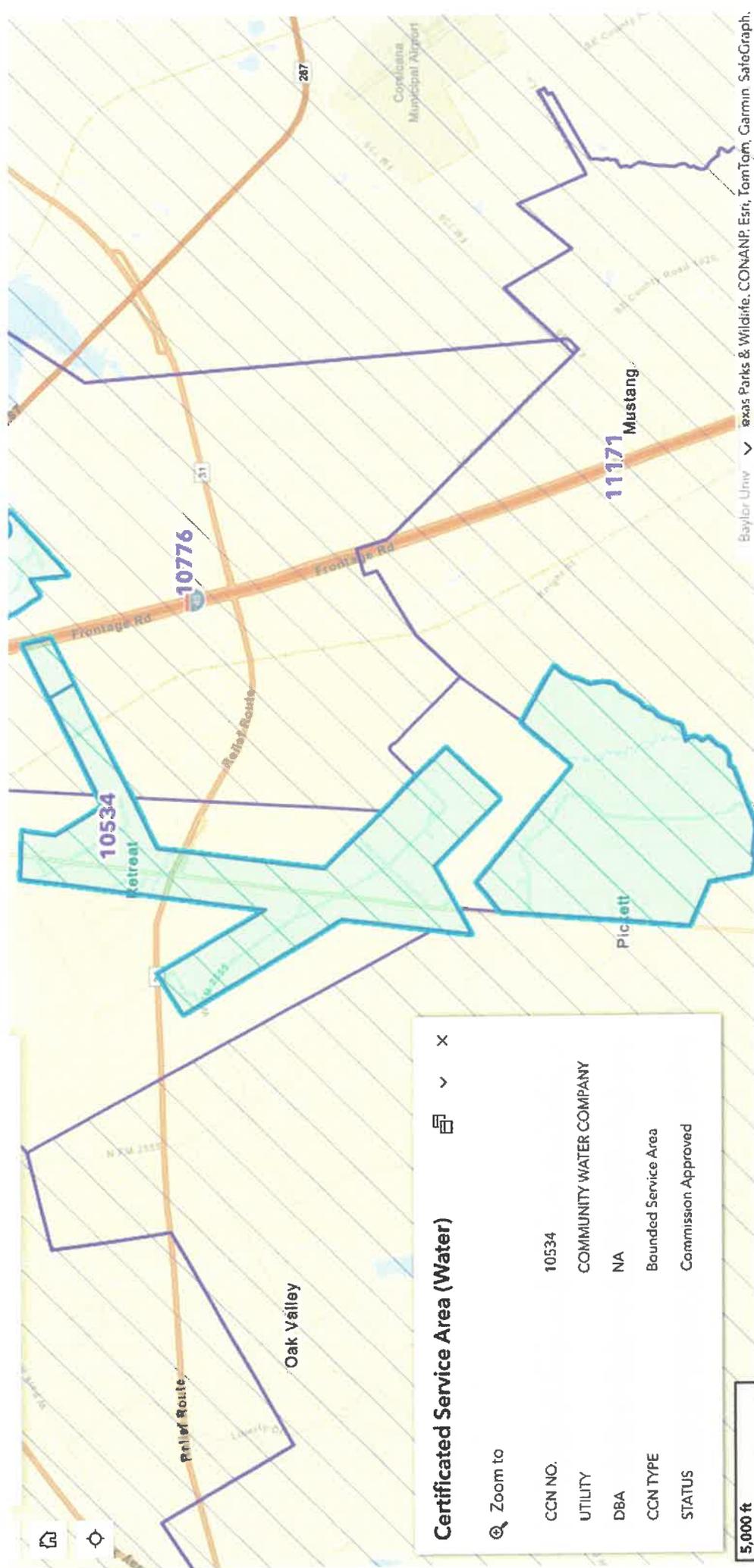
By: _____
City Manager

PURCHASER
COMMUNITY WATER – RETREAT

ATTEST:

City Secretary – City of Corsicana

EXHIBIT "A"



ITEM NO. 8I

Date: March 23, 2026

Subject: **Historic Downtown District Reinvestment Tax Credit**

Comments: Attached is a listing of property owners requesting tax rebate of property taxes paid in 2025. Based on 2025 expenditures to maintain and improve downtown buildings, property owners may be reimbursed taxes paid the City of Corsicana and Navarro County based on investments on approved maintenance projects of a property up to the maximum taxation by each entity. Historic Downtown property owners are eligible to apply for this credit incentive each year.

Below is the 2025 Summary of the Downtown Corsicana Reinvestment Tax Credits.

TOTALS FOR THIS RESOLUTION:

TOTAL CITY TAX CREDIT FOR CDRD FOR 2025:

Total City Tax Credit \$ 32,726.80

Total Reinvestment Reported \$227,691.42

Total Downtown Property Tax Credit Applications 21

Total City of Corsicana Tax Credits \$ 32,726.80

Total Navarro County Tax Credits \$ 22,396.65

Recommendation: Approve the applications for Reinvestment Tax Credits.

MOTION:

I MOVE TO (APPROVE/DENY) THE APPLICATIONS FOR REINVESTMENT TAX CREDITS FOR 2025.

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
CORNICANA, TEXAS, APPROVING THE APPLICATIONS
SUBMITTED FOR DOWNTOWN REINVESTMENT TAX CREDITS.**

WHEREAS, the City Council has adopted an ordinance creating the Downtown Revitalization District as a designated reinvestment zone providing for reinvestment tax credits to downtown property owners in an effort to encourage the maintenance and revitalization of the historic downtown area; and

WHEREAS, the ordinance allows for a tax credit on improvements made to downtown buildings and provides for a dollar-for-dollar tax credit to downtown property owners on approved expenditures; and

WHEREAS, the attached “Exhibit A” identifies the applicant, the location, the improvements to the property and the amount of the tax credit; and

WHEREAS, each eligible property owner is current with all ad valorem property taxes and has met all criteria as required.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CORNICANA, TEXAS, that the applications for downtown reinvestment tax credits, identified on the attached Exhibit A, are hereby approved.

PASSED and **APPROVED** by majority vote of the City Council of the City of Corsicana, Texas, this **23rd** day of **March, 2026**.

Joe Hill, Mayor

ATTEST:

Marcie Rosson, City Secretary

APPROVED AS TO FORM:

Kerri Anderson Donica, City Attorney

Property Address	Owner Info	Verified County Credit	Verified City Credit
100 W. 3rd Ave. <i>Mailing Address</i> 411 N. Beaton St. Corsicana, TX 75110	Kyle Hobratschk Properties LLC Plumbing, window and tile repair Total reported: \$ 1,575.00 NCAD ID: 35052	\$ 639.92	\$ 935.08
203 N. Commerce <i>Mailing Address</i> 411 N. Beaton St. Corsicana, TX 75110	Kyle Hobratschk Properties LLC Paint and transom glass Total reported: \$ 2,172.21 NCAD ID: 113586	\$ 209.72	\$ 306.45
411 N. Beaton St. <i>Mailing Address</i> 411 N. Beaton St. Corsicana, Texas 75110	Kyle Hobratschk Properties LLC New TPO roof Total reported: \$ 27,062.50 NCAD ID: 40129	\$ 305.92	\$ 447.02
105 W. 7th Street <i>Mailing Address</i> P.O. Box 700115 Dallas, TX 75370	CNB Real Estate Plumbing repairs \$ 2,520.16 Total reported: NCAD ID: 40598	\$ 2,881.26	\$ 4,210.24
200 S. Beaton <i>Mailing Address</i> 714 Glen Abbey Drive Mansfield, TX 76063	South Beaton Apartments, LLC Window repair and paint Total reported: \$ 3,900.00 NCAD ID: 40134	\$ 1,576.85	\$ 2,304.16
119 N. Beaton Street <i>Mailing Address</i> 119 N. Beaton Street Corsicana, TX 75110	A Bonner Enterprises LLC Replaced Furnace Total reported: \$ 2,900.00 NCAD ID: 40124	\$ 295.03	\$ 431.11
202 N. Beaton Street <i>Mailing Address</i> P.O. Box 311 Corsicana, TX 75151	John & Carolyn Yates New carpet, painted and repaired interior walls Total reported: \$ 1,923.41 NCAD ID: 40096	\$ 781.47	\$ 1,141.94
314 N, Main St <i>Mailing Address</i> 114 E 3rd Ave Corsicana, TX 75110	CBBOB, LLC New Roof Total reported: \$ 49,660.50 NCAD ID: 34762	\$ 738.95	\$ 1,079.79
301 N. Beaton Street <i>Mailing Address</i> P.O. Box 507 Corsicana, TX 75151	Down on the Corner LLC New HVAC Total reported: \$ 5,300.00 NCAD ID: 35018	\$ 1,004.36	\$ 1,467.36
309 N. Beaton Street <i>Mailing Address</i> P.O. Box 507 Corsicana, TX 75151	Down on the Corner LLC New Roof Total reported: \$ 54,355.00 NCAD ID: 35017	\$ 1,395.67	\$ 2,039.42
213 E. 4th Ave <i>Mailing Address</i> P.O. Box 507 Corsicana, TX 75151	Governors View Properties New garage door opener and plumbing repairs Total reported: \$ 1,389.92 NCAD ID: 35044	\$ 274.01	\$ 400.39

405 N. Beaton <i>Mailing Address</i> 405 North Beaton Street Corsicana, TX 75110	Nancy Rebal and David Searcy Leak in wall Total reported: \$ 3,274.65 NCAD ID:40127	\$ 594.99	\$ 869.42
110 N Beaton <i>Mailing Address</i> P.O. Box 2087 Waco, TX 76703	Type High Investments LLC Repaired and painted sheetrock and replaced back door Total Reported: \$ 2,851.83 NCAD ID: 40163	\$ 961.05	\$ 1,404.33
111 & 113 S. Beaton St <i>Mailing Address</i> 1401 Cumberland Drive Corsicana, TX 75110	Kelvin Akhigbe Electrical, Plumbing and Freezer Repair Total Reported: \$ 2,400.00 NCAD ID: 40150	\$ 975.11	\$ 1,424.89
212 N Commerce <i>Mailing Address</i> 108 S Beaton St., STE C2 Corsicana, TX 75110	Dustie Hale Full electrical and plumbing Total Reported: \$ 6,000.00 NCAD ID: 35021	\$ 1,475.36	\$ 2,155.86
118 W. Collin Street <i>Mailing Address</i> 118 W. Collin Street Corsicana, TX 75110	Katharine & Susan Hable Repair awning and wood trim Total reported: \$ 1,700.00 NCAD ID: 40173	\$ 690.71	\$ 1,009.29
120 W. Collin Street <i>Mailing Address</i> 118 W. Collin Street Corsicana, TX 75110	Gosluck-Hable New roof Total reported: \$ 29,928.50 NCAD ID: 40174	\$ 575.29	\$ 840.64
222 N. Beaton Street <i>Mailing Address</i> 107 S. Dallas STE 203 Ennis, TX 75119	Harbour-Jaeger Construction LLC HVAC replacement and repair Total reported: \$ 8,315.00 NCAD ID: 40087	\$ 992.61	\$ 1,450.45
220 N. Beaton Street <i>Mailing Address</i> 107 S. Dallas STE 203 Ennis, TX 75119	Harbour-Jaeger Construction LLC Plumbing and roof repairs Total reported: \$ 1,574.90 NCAD ID: 40088	\$ 639.88	\$ 935.02
120 & 122 N Beaton Street <i>Mailing Address</i> 1411 W. 3rd Avenue Corsicana, TX 75110	A Worthy Occasion HVAC, sheetrock, brick and stucco repair Total reported: \$ 7,887.84 NCAD ID: 40158 & 40157	\$ 1,763.80	\$ 2,577.36
101 & 113 N. Beaton <i>Mailing Address</i> P.O. Box 115 Corsicana, TX 75151	Terrazzo Tower Rehab of windows Total reported: \$ 11,000.00 NCAD ID:40120 & 27561	\$ 3,624.69	\$ 5,296.58
	TOTALS:	\$ 227,691.42	\$ 327,268.80

ITEM NO. 9A

Date: March 23, 2026

Subject: **Appointments/Miscellaneous Business**

Comments: Attached is a list identifying the Mayor's appointments to the Library Board. Names of those appointed are highlighted on the attached list.

Recommendation: Confirm the Mayor's appointments to the Library Board.

MOTION:

I MOVE TO (APPROVE/DENY) THE MAYOR'S APPOINTMENTS AS STATED.

**CITY OF CORSICANA
ADVISORY BOARDS AND COMMISSIONS
MAY APPOINTMENTS**

Library Board - Two (2) Year Term - Consists of nine (9) members, one (1) member being the Mayor. This board is appointed by the City Council to serve as the liaison between the Corsicana Public Library and the community it serves.

Linda Gober	2026	Sharon Goodman	2027
Whitney Watson	2026	Angie Ferguson White	2027
Pat Spiller	2026	Jim Hulme	2027
Judy Johnson	2026	Barbara Phillips	2027
Alternates:	Belinda Burkhart	2027	Mayor (9 th Member)
	Linda Denbow	2027	

- * Whitney Watson is completing the unexpired term of Candy Fain.
- * Sharon Goodman is completing the unexpired term of Susan Hale.

ITEM NO. 9B

Date: March 23, 2026

Subject: **Appointment of Assistant City Manager for Community and Economic Development**

Comments: Upon confirmation by the City Council, the City Manager wishes to appoint John Boswell to the position of Assistant City Manager for Community and Economic Development.

Recommendation: Confirm the City Manager's appointment of John Boswell to Assistant City Manager for Community and Economic Development.

MOTION:

I MOVE TO (APPROVE/DENY) THE CITY MANAGER'S APPOINTMENT OF ASSISTANT CITY MANAGER FOR COMMUNITY AND ECONOMIC DEVELOPMENT.

ITEM NO. 10

Date: March 23, 2026

Subject: **Reports and Presentations**

Comments:

- a. Presentation of the Carnegie Foundation gift of \$10,000 to the Corsicana Public Library to commemorate the 250th Birthday of the United States.
- b. Presentation of the Annual Comprehensive Financial Report for 2025.

Recommendation: Accept the Reports and Presentations.

ITEM NO. 11

Date: March 23, 2026

Subject: **Miscellaneous Announcements**

Comments:

Mayor/Council/City Manager

Items to Mention:

April 2 Downtown Easter Hop, 3:30 p.m. – 5:30 p.m., (throughout Downtown)

April 3 Good Friday Holiday (City offices closed)

Landfill Holiday Schedule:

April 3 Friday – Open Regular Hours

April 4 Saturday – Closed

April 6 ECC Spring Family Fun Fest, 5:00 p.m. – 7:00 p.m.
Early Childhood Coalition Spring Family Fun Fest
Corsicana Public Library (inside and on the parking lot)

April 7 Economic Development Partnership Meeting
9:00 a.m., Corsicana Public Library Meeting Room

April 9 Houston Art Reception, 5:00 p.m., Corsicana Public Library
Sam Houston Elementary School Students

ITEM NO. 12 & 13

Date: March 23, 2026

Subject: **Executive Session**

- 12. EXECUTIVE SESSION:** The Council will recess into closed or executive session to receive attorney's advice on legal matters pursuant to Section 551.071 of the Texas Government Code, to deliberate on certain matters concerning real property pursuant to Section 551.072 of the Texas Government Code, to deliberate on personnel matters pursuant to Section 551.074 of the Texas Government Code, and to discuss economic development negotiations pursuant to Section 551.087 of the Texas Government Code.
- 13. RETURN TO OPEN SESSION:** The Council will consider and act upon items discussed under Executive Session, as necessary.

Comments: N/A

Recommendation: N/A