



PETER ZANONI
City Manager

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June 27, 2019

Mr. Mark Millett
Chief Executive Officer
Steel Dynamics, Inc.
7575 West Jefferson Blvd.
Fort Wayne, IN 46804

Dear Mr. Millett:

This letter is in furtherance of the City of Corpus Christi's prior letters to Steel Dynamics, Inc. ("SDI") dated December 21, 2018 and April 25, 2019 regarding the availability of raw water from the Mary Rhodes Pipeline for SDI's proposed steel project near Sinton, Texas.

In the first previously approved amendment to the raw water supply contract between the City and the San Patricio Municipal Water District, ("District"), paragraph 2a provides for the percentage of raw water that may be taken by the District from the Mary Rhodes Pipeline.

The purpose of this letter is to clarify that, subject to City Council approval, City staff will support additional amendments to the District's contract to (1) allow an additional direct tap by the District to the Mary Rhodes Pipeline, (2) take into account the needed raw water supply to SDI of up to five million gallons per day ("MGD") on a take or pay basis from the Mary Rhodes Pipeline, and (3) further provide that SDI's take of up to five MGD shall not be included in the calculation of the District's maximum percentage of water taken from the Mary Rhodes Pipeline. Such amendments would take effect once a water supply contract has been effectuated between the District and SDI.

Sincerely,

Peter Zanoni
City Manager
City of Corpus Christi