

**SECOND AMENDMENT TO RAW WATER SUPPLY CONTRACT BETWEEN
THE CITY OF CORPUS CHRISTI AND SAN PATRICIO MUNICIPAL WATER DISTRICT**

This Second Amendment to the Raw Water Supply Contract between the City of Corpus Christi and San Patricio Municipal Water District ("Second Amendment") is by and between the City of Corpus Christi, Texas ("City") and San Patricio Municipal Water District ("District").

WHEREAS, the City and the District entered into the Raw Water Supply Contract ("Contract") between the City of Corpus Christi and San Patricio Municipal Water District, with effective date March 17, 1997;

WHEREAS, the Contract was amended by the First Amendment with effective date March 20, 2007;

WHEREAS, the parties now want to amend the Contract to (1) allow the District an additional direct tap on the Lake Texana pipeline (also known as the "Mary Rhodes Pipeline"); (2) allow the District to take up to an additional 5,600 acre-feet per calendar year (5 MGD averaged over a calendar year) on take or pay basis from the Mary Rhodes Pipeline; and (3) provide that the additional amount of up to 5,600 acre-fee per calendar year (5 MGD averaged over a calendar year) from the Mary Rhodes Pipeline shall not be included in the calculation of the District's maximum percentage of water taken from the Mary Rhodes Pipeline;

NOW THEREFORE, the City and the District, agree to amend the Contract as follows:

I. Amendment of Paragraph 2a of the Contract

Paragraph 2a of the Contract is hereby amended to read as follows:

2. Use and Quantity of Water.

a. (1) The City agrees to allow the District to divert, and use consumptively, untreated raw water from the Nueces River and Lake Texana Pipeline for municipal and industrial purposes in such quantity as may be required by the District, but not exceeding a total of 41,200 acre feet in a calendar year (January 1 to December 31).

a. (2) Under typical operating procedures, the maximum rate of diversion from the Nueces River will not exceed 21,572 gallons per minute, and the maximum rate of diversion from the Lake Texana pipeline will not exceed 13,897 gallons per minute.

a. (3) In January of each year the City will determine the percentage of its raw water that it took from the Lake Texana Pipeline in the preceding calendar year, and will provide that information to the District. In each calendar year that the District receives that information, the District may take that percentage of its raw water from the Lake Texana Pipeline (the "District's Raw Water Percentage").

a. (4) Additional Committed Capacity

(a) Subject to terms provided in subparagraphs 2a.(4)(a)-(g), City will be obligated to make available to the District from a new tap on the Lake Texana Pipeline an additional five (5) million gallons per day (5 MGD) of Raw Water, averaged over a calendar year period (5,600 acre-feet per calendar year) ("Additional Committed Capacity"). Such Additional Committed Capacity shall be made available to the District by the City only for the period of time during which the contract between the District and Steel Dynamics Southwest, LLC ("SPMWD's Designated Customer") is in effect. During such time, the maximum rate of diversion from the tap for SWPMD's Designated Customer on the Lake Texana pipeline will not exceed 4,000 gallons per minute. District shall provide City with quarterly meter readings to demonstrate amount taken pursuant to this subparagraph 2a.(4)(a) ("District Meter Readings").

(b) The District must provide the City at least 90 days written notice prior to actually taking any portion of the Additional Committed Capacity.

(c) Commencing on May 31, 2023, and continuing so long as the contract between the District and SPMWD's Designated Customer is in effect, the District is obligated to purchase a minimum of 5,600 acre-feet per calendar year ("Take or pay Amount") from SPMWD's Designated Customer's tap on the Lake Texana Pipeline, at the monthly take or pay rate for public agency for resale whether taken or not. (d) The amount actually taken from the Lake Texana Pipeline by District for SPMWD's Designated Customer (such amount not to exceed 5,600 acre-feet per calendar year) shall be excluded from the calculation for the District's Raw Water Percentage.

(e) Notwithstanding the foregoing subparagraph 2a.(4)(c), if the City is unable, due to drought conditions, force majeure or any other reason, to provide the full 5 MGD of Additional Committed Capacity of raw water from the Lake Texana Pipeline to the District for District's service to SPMWD's Designated Customer, the District shall only be required to pay for the actual amount of such raw water delivered by the City at the tap on the Lake Texana Pipeline to the District for District's service to SPMWD's Designated Customer.

(f) Once the provisions of the preceding subparagraph 2a.(4)(c) are in effect and subject to the provisions of subparagraph 2a(4)(e) above, for any calendar year in which District has taken less than the Take-or-pay Amount as reflected in the District Meter Readings, City shall invoice District for the difference between the actual amount of raw water taken during that calendar year and the Take-or-pay Amount. District shall make payments for such amounts within 30 days of receipt of invoice from the City.

(g) The City hereby acknowledges that SPMWD's Designated Customer plans to use ground water at any time that the District is unable to deliver the full raw water capacity committed to SPMWD's Designated Customer and when special needs arise as determined by SPMWD's Designated Customer. City agrees that

such use of ground water by SPMWD's Designated Customer does not constitute a default or breach of any provision of the Contract, including but not limited to the provisions of Paragraphs 9 or 11.

II. Amendment of Paragraph 3 b regarding Points of Diversion

Paragraph 3 b of the Contract is hereby amended to read as follows:

3. Points of Diversion.

b. The District will divert the untreated raw water from the Lake Texana pipeline by means, maximum diversion rates, and at locations agreed to in writing by the City Manager or designee and the District's Executive Director.

III. Contract to continue in effect.

Except as otherwise amended herein, all other terms and conditions of the previously executed Contract and First Amendment which are not inconsistent herewith shall continue in full force and effect.

IV. Effective Date.

This Second Amendment shall be effective on and after the date of last signature.

SAN PATRICIO MUNICIPAL WATER DISTRICT

By: _____

President

ATTEST:

By: _____

Secretary/Treasurer

ACKNOWLEDGMENT

STATE OF TEXAS

COUNTY OF SAN PATRICIO

This instrument was acknowledged before me on the _____ day of _____, 2019 by _____, President of the San Patricio Municipal Water District, on behalf of said district, after approval of the Board of Directors on _____, 2019.

Notary Public

CITY OF CORPUS CHRISTI

By: _____
Peter Zanoni
City Manager

ATTEST:

By: _____
Rebecca Huerta, Secretary

ACKNOWLEDGMENT

STATE OF TEXAS
COUNTY OF NUECES

This instrument was acknowledged before me on the _____ day of _____, 2019
by Peter Zanoni, City Manager of the City of Corpus Christi, Texas, on behalf of said city, after
approval of the City Council on _____, 2019.

Notary Public