



Control Number: 45781



Item Number: 1

Addendum StartPage: 0



PURSUANT TO PUC CHAPTER 24, SUBSTANTIVE RULES APPLICABLE TO WATER AND SEWER  
SERVICE PROVIDERS, SUBCHAPTER G: CERTIFICATES OF CONVENIENCE AND NECESSITY

## Application to Obtain or Amend a Water or Sewer Certificate of Convenience and Necessity (CCN)

Docket Number: **45781**

(this number will be assigned by the Public Utility Commission after your application is filed)

7 copies of the application, including the original, shall be filed with

Public Utility Commission of Texas  
Attention: Filing Clerk  
1701 N. Congress Avenue  
P.O. Box 13326  
Austin, Texas 78711-3326

2016 MAR 29 PM 12:28  
PUBLIC UTILITY COMMISSION  
FILING CLERK

If submitting digital map data, two copies of the portable electronic storage medium (such as CD or DVD) are required.

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## Application to Obtain or Amend a Water or Sewer Certificate of Convenience and Necessity (CCN)

### Purpose of Application

<input type="checkbox"/> Obtain	<input type="checkbox"/> New Water CCN	<input type="checkbox"/> New Sewer CCN
<input checked="" type="checkbox"/> Amend	<input checked="" type="checkbox"/> Water CCN# (s)	10541
<input checked="" type="checkbox"/> Amend	<input checked="" type="checkbox"/> Sewer CCN#(s)	20216

### 1. Applicant Information

#### Applicant

Utility name: City of Portland

Certificate number: 10541 (water) / 20216 (sewer)

Street address (City/ST/ZIP/Code): 1900 Billy G. Webb, Portland, Texas 78374

Mailing address(City/ST/ZIP/Code): Same

Utility Phone Number and Fax: (361) 777-4500

#### Contact information

Please provide information about the person(s) to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney, accountant manager, or other title related to the applicant.

Name: Brian DeLatte	Title: Assistant City Manager
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Mailing address: 1900 Billy G. Webb, Portland, Texas 78374

Email: brian.delatte@portlandtx.com	Phone and Fax: (361) 777-4500
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List all counties in which service is proposed:

San Patricio

A. Check the appropriate box and provide information regarding the legal status of the applicant:

- ☐ Investor Owned Utility      ☐ Individual      ☐ Partnership
- ☐ Home or Property Owners Association      ☐ For-profit Corporation
- ☐ Non-profit, member-owned, member-controlled cooperative corporation  
(Water Code Chapter 67, Water Supply or Sewer Service Corporation)

- ☒ Municipality      ☐ District      ☐ Other - Please explain:

Home rule municipality

B. If the applicant is a For-Profit business or corporation, please include the following information:

- i. A copy of the corporation's "Certification of Account Status" from the Texas State Comptroller of Public Accounts.
- ii. The corporation's charter number as recorded with the Office of the Texas Secretary of State: \_\_\_\_\_
- iii. A listing of all stockholders and their respective percentages of ownership.
- iv. A copy of the company's organizational chart, if available.
- v. A list of all directors and disclose the title of each individual.
- vi. A list of all affiliated organizations (if any) and explain the affiliate's business relationship with the applicant.

C. If the applicant is a Texas Water Code (TWC) Chapter 67 water supply or sewer service corporation please provide:

- i. A copy of the Articles of Incorporation and By-Laws.
- ii. The corporation's charter number as recorded with the Office of the Texas Secretary of State.
- iii. Identification of all board members including name, address, title, and telephone number.
- iv. A copy of the corporation's *Certificate of Account Status* from the Texas Comptroller of Public Accounts.

## 2. Location Information

- A. Are there people already living in the proposed area?      ☒ Yes      ☐ No
- If YES, are any currently receiving utility service?      ☐ Yes      ☐ No
- If YES, from WHOM? City of Portland

B. Demonstrate the Need for Service by providing the following:

Have you received any requests for service in the requested service area?

☒ Yes    ☐ No

If YES, provide the following: **SEE ATTACHMENT 1**

- i. Describe the service area and circumstances driving the need for service in the requested area. Indicate the name(s) and address(es) of landowner(s), prospective landowner(s), tenant(s), or resident(s) that have requested service; and/or
- ii. Describe the economic need(s) for service in the requested area (i.e. plat approvals, recent annexation(s) or annexation request(s), building permits, septic tank permits, hospitals, etc.); and/or
- iii. Discuss in detail the environmental need(s) for service in the requested area (i.e. failing septic tanks in the requested area, fueling wells, etc.); and/or
- iv. Provide copies of any written application(s) or request(s) for service in the requested area; and/or
- v. Provide copies of any reports and/or market studies demonstrating existing or anticipated growth in the requested area.
- vi. If none of these items exist or are available, please justify the need for service in the proposed area in writing.

Note: Failure to demonstrate a need for additional service in the proposed service area may result in the delay and /or possible denial of the application.

C. Is any portion of the proposed service area inside an incorporated city or district?

☒ Yes    ☐ No

If YES, within the corporate limits of: City of Portland

Provide a copy of any franchise, permit, or consent granted by the city or district. If not available please explain:

The area is not within another incorporated city or district.

D. Is any portion of the proposed service area inside another utility's CCN area?

☐ Yes    ☒ No

If YES, has the current CCN holder agreed to decertify the proposed area?

If NO, are you seeking dual or single certification of the area? Explain why decertification of the area is in the public interest:

Single certification. There are no other utility providers reasonably available to provide service to the requested areas.

### 3. Map Requirements

Attach the following hard copy maps with each copy of the application:

- A. A location map delineating the proposed service area with enough detail to accurately locate the proposed area within the county. **ATTACHMENT 2**
- B. A map showing only the proposed area by: **ATTACHMENT 3 & 4**
  - i. metes and bounds survey certified by a licensed state or register professional land surveyor; or
  - ii. projectable digital data with metadata (proposed areas should be in a single record and clearly labeled). Also, a data disk labeled with the applicant's name must be provided; or
  - iii. following verifiable natural and man-made landmarks; or
  - iv. a copy of recorded plat map with metes and bounds.
- C. A written description of the proposed service area. **ATTACHMENT 1**
- D. Provide separate and additional maps of the proposed area(s) to show the following:
  - i. all facilities, illustrating separately facilities for production, transmission, and distribution of the applicant's service(s); and
  - ii. any facilities, customers or area currently being served outside the applicant's certificated area(s).

**Note:** Failure to provide adequate mapping information may result in the delay or possible denial of your application.

Digital data submitted in a format other than ArcView shape file or Arc/Info E00 file may result in the delay or inability to review applicant's mapping information.

For information on obtaining a CCN base map or questions about sending digital map data, please visit the Water Utilities section of the PUC website for assistance.

### 4. New System Information or Utilities Requesting a CCN for the First Time

- A. Please provide the following information:
  - i. a list of public drinking water supply system(s) or sewer system(s) within a 2 mile radius of the proposed system;
  - ii. copies of written requests seeking to obtain service from each of the public drinking water systems or sewer systems listed in a. 1 above or documentation that it is not economically feasible to obtain service from each entity;
  - iii. copies of written responses from each system or evidence that they did not reply; and
  - iv. for sewer utilities, documentation showing that you have obtained or applied for a wastewater discharge permit.
- B. Were your requests for service denied? ☐ Yes ☐ No



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W Q -

W Q -

W Q -

W Q -

W Q -

- iii. Date of last TCEQ water and/or sewer system inspection(s): 12/7/15
- iv. Attach a copy of the most recent TCEQ water and/or sewer inspection report letter(s). ATTACHMENT 5
- v. For each system deficiency listed in the TCEQ inspection report letter; attach a brief explanation listing the actions taken or being taken by the utility to correct the listed deficiencies, including the proposed completion dates.

B. Provide the following information about the utility's certified water and/or sewer operators

Name	Classes	License Number
See Attached. #6		

- Attach additional sheet(s) if necessary -

C. Using the current number of customers, is any facility component in systems named in #5A above operating at 85% or greater of minimum standard capacity?

- ☐ Yes
- ☒ No

Attach a copy of the 85% rule compliance document filed with the TCEQ if the system is operating at 85% or greater of the TCEQ's minimum standard capacity requirements.

D. In the table below, the number of existing and/or proposed metered and non-metered connections (by size). The proposed number should reflect the information presented in the business plan or financial **documentation** and reflect the number of service requests identified in Question 2.b in the application.

TCEQ Water System			TCEQ Sewer System		
Connection	Existing	Proposed	Connection	Existing	Proposed
5/8" or 3/4" meter	5,539	5,763	Residential	5,329	5,621
1" meter or larger	37	41	Commercial	36	41
Non-Metered	0	0	Industrial	0	0



TCEQ Water System			TCEQ Sewer System		
Other:	0	0	Other:	0	0
Total Water	5,576	5,804	Total Sewer	5,365	5,662

E. If this application is for a water CCN only, please explain how sewer service is or will be provided:

N/A

F. If this application is for a sewer CCN only, please explain how water service is or will be provided:

N/A

G. Effect of Granting a Certificate Amendment. **ATTACHMENT 1**

Explain in detail the effect of granting of a certificate or an amendment, including, but not limited to regionalization, compliance and economic effects on the following:

- i. the applicant,
- ii. any retail public utility of the same kind already serving the proximate area; and
- iii. any landowner(s) in the requested area.

H. Do you currently purchase or plan to purchase water or sewer treatment capacity from another source?

- i. ☐ No, (skip the rest of this question and go to #6)
- ii. ☒ Yes, Water

Purchased on a ☒ Regular ☐ Seasonal ☐ Emergency basis?

Water Source	% of Total Treatment
San Patricio Municipal Water District	100.00%

Water Source	% of Total Treatment
	0.00%
	0.00%

iii. ☐ Yes, Sewer treatment capacity

Purchased on a ☐ Regular ☐ Seasonal ☐ Emergency basis?

Sewer Source	% of Total Treatment
	0.00%
	0.00%
	0.00%

iv. Provide a signed and dated copy of the most current water or sewer treatment capacity purchase agreement or contract. **ATTACHMENT 7**

I. Ability to Provide Adequate Service. **ATTACHMENT 1**

Describe the ability of the applicant to provide adequate service, including meeting the standards of the commission, taking both of the following items into consideration:

- i. the current and projected density; and
- ii. the land use of the requested area.

J. Effect on the Land. Explain the effect on the land to be included in the certificated area.

There is no effect on the land other than allowing the continued growth and development of the City.

## 6. Financial Information

A. For new water and/or sewer systems and for applicants with existing CCNs who are constructing a new stand-alone water and/or sewer system:

- i. the applicant must provide an analysis of all necessary costs for constructing, operating, and maintaining the system, and the source of that capital (such as a financial statement for the developing entity) for which the CCN is requested for at least the first five years. In addition, if service has been offered by an existing retail water service provider as stated in #4.A., but the applicant has determined that the cost of service as finally offered renders the project not economically feasible, the applicant must provide a comparison analysis of all necessary costs for acquiring and continuing to receive service from the existing system for the same period.
- ii. Attach projected profit and loss statements, cash flow worksheets, and balance sheets (projected five year financial plan worksheet is attached) for each of the first five years of operation. Income from rates

should correlate to the projected growth in connections, shown on the projected profit and loss statement.

- iii. Attach a proposed rate schedule or tariff. Describe the procedure for determining the rates and fees and indicate the date of last change, if applicable. Attach copies of any cost of service studies or rate analysis worksheets.
- B. For existing water and/or sewer systems: **ATTACHMENT 8**
  - i. Attach a profit and loss statement and current balance sheet for existing businesses (end of last fiscal year is acceptable). Describe sources and terms for borrowed capital such as loans, bonds, or notes (profit and loss and balance sheet worksheets are attached, if needed).
  - ii. Attach a proposed rate schedule or tariff. **ATTACHMENT 9**
- ❖ **Note: An existing water and/or sewer system may be required to provide the information in 6.A.i. above during the technical review phase if necessary for staff to completely evaluate the application**
- C. Identify any funds you are required to accumulate and restrict by lenders or capital providers.
- D. In lieu of the information in #6.A. thru #6.C., you may provide information concerning loan approvals within the last three (3) years from lending institutions or agencies including the most recent financial audit of the applicant.
- ❖ **Note: Failure to provide adequate financial information may result in the delay or possible denial of your application.**

## 7. Notice Requirements

- A. All proposed notice forms must be completed and submitted with the application. Do not mail or publish the notices until you receive written approval from the commission to do so.
- B. The commission cannot grant a CCN until proper notice of the application has been given. Commission rules do not allow a waiver of notice requirements for CCN applicants.
- C. It is the applicant's responsibility to ensure that proper notice is given to all entities that are required to receive notice.
- D. Recommended notice forms for publication, neighboring cities and systems, landowners with 25 acres or more, and customers are included with this application for use in preparing proposed notices. (Notice forms are available in Spanish upon request.)
- E. After reviewing and, if necessary, modifying the proposed notice, the commission will send the notice to the applicant after the application is accepted for filing along with instructions for publication and/or mailing. Please review the notice carefully before providing the notice.
- F. Notice For Publication:  
The applicant shall publish the notice in a newspaper with general circulation in the county(ies) where a CCN is being requested. The notice must be published once each week for two consecutive weeks beginning with the week after the notice is received from the commission. Proof of publication in the form of a publisher's affidavit shall be submitted to the commission within 30 days of the last publication date. The affidavit shall state with specificity each county in which the newspaper is of general circulation.
- G. Notice To Neighboring Utilities:
  - i. List all neighboring retail public utilities and cities providing the same utility service within the following vicinities of the applicant's proposed certificate area.
  - ii. For applications for the issuance of a NEW CCN, the applicant must mail the notice with a copy of the proposed CCN map to all cities and neighboring retail public utilities providing the same utility service within five (5) miles of the requested service area.

- iii. For applications for the AMENDMENT of a CCN, the applicant must mail the notice with a copy of the proposed CCN map to all cities and neighboring retail public utilities providing the same utility service within two (2) miles of the requested service area.
- H. Notice to Customers:  
Investor Owned Utilities (IOUs) that are currently providing service without a CCN must provide individual mailed notice to all current customers. The notice must contain the current rates, the date those rates were instituted and any other information required in the application.
- I. The commission may require the applicant to deliver notice to other affected persons or agencies.

**Do not publish or send copies of the proposed notices to anyone at the time you submit the application to the commission. Wait until you receive written authorization to do so. Authorization occurs after the commission has reviewed the notices for completeness, and your application has been accepted for filing. Once the application is accepted for filing, you will receive written authorization to provide notice. Please check the notices for accuracy before providing them to the public. It is the applicant's burden to ensure that correct and accurate notice is provided.**


# OATH

STATE OF Texas  
COUNTY OF San Patricio

I, Randy Wright, being duly sworn,  
file this application as City Manager (indicate relationship to Applicant,  
that is, owner, member of partnership, title as officer of corporation, or other authorized  
representative of Applicant); that, in such capacity, I am qualified and authorized to file  
and verify such application, am personally familiar with the maps and financial information  
filed with this application, and have complied with all the requirements contained in this  
application; and, that all such statements made and matters set forth therein are true and  
correct. I further state that the application is made in good faith and that this application  
does not duplicate any filing presently before the Public Utility Commission of Texas.

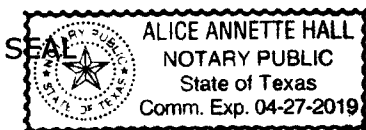
I further represent that the application form has not been changed, altered or amended  
from its original form.

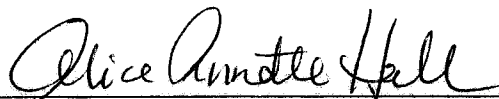
**I further represent that the Applicant will provide continuous and adequate  
service to all customers and qualified applicants for service within its certificated  
service area.**

  
\_\_\_\_\_  
AFFIANT  
(Utility's Authorized Representative)

If the Affiant to this form is any person other than the sole owner, partner, officer of the  
Applicant, or its attorney, a properly verified Power of Attorney must be enclosed.

SUBSCRIBED AND SWORN TO BEFORE ME, a Notary Public in and for the State of Texas,  
This day 15th of March 20 16



  
\_\_\_\_\_  
NOTARY PUBLIC IN AND FOR THE  
STATE OF TEXAS

Alice Annette Hall  
\_\_\_\_\_  
PRINT OR TYPE NAME OF NOTARY

MY COMMISSION EXPIRES 4-27-19

## Notice for Publication

### NOTICE OF APPLICATION FOR CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) TO PROVIDE WATER/SEWER UTILITY SERVICE IN

San Patricio

COUNTY(IES), TEXAS

Name of Applicant City of Portland has filed an application for a CCN to obtain or amend CCN No. (s) 10541 and 20216 and to decertify a portion(s) of N/A with the  
(Name of Decertified Utility)

Public Utility commission of Texas to provide

water & sewer

(specify 1) water or 2) sewer or 3) water & sewer)

utility service in San Patricio

County  
(ies).

The proposed utility service area is located approximately 4 miles west  
[direction] of downtown Portland, [City or Town] Texas, and is  
generally bounded on the north by US 181; on the east by  
LaQuinta Terminal Road; on the south by Corpus Christi and Nueces Bay; and on the west by CR 77 and CR 81

The total area being requested includes approximately 5,700 acres and \_\_\_\_\_  
current customers.

A copy of the proposed service area map is available at (Utility Address and Phone  
Number): City of Portland City Secretary, 1900 Billy G. Webb, Portland, Texas 78374 361-777-4500

A request for a public hearing must be in writing. You must state (1) your name, mailing address, and daytime telephone number; (2) the applicant's name, application number or another recognizable reference to this application; (3) the statement, "I/we request a public hearing"; (4) a brief description of how you or the persons you represent, would be adversely affected by the granting of the application for a CCN; and (5) your proposed adjustment to the application or CCN which would satisfy your concerns and cause you to withdraw your request for a hearing.

**Persons who wish to intervene or comment should file with the PUC at the following address:**

Filing Clerk  
Public Utility Commission of Texas  
1701 North Congress Avenue  
P.O. Box 13326  
Austin, Texas 78711-3326

within thirty (30) days from the date of this publication or notice. A public hearing will be held only if a legally sufficient hearing request is received or if the commission on its own motion requests a hearing. Only those individuals who submit a written hearing request or a written request to be notified if a hearing is set will receive notice if a hearing is scheduled.

If a public hearing is requested, the commission will not issue the CCN and will forward the application to the State Office of Administrative Hearings (SOAH) for a hearing. If no settlement is reached and an evidentiary hearing is held, the SOAH will submit a recommendation to the commission for final decision. If an evidentiary hearing is held, it will be a legal proceeding similar to a civil trial in state district court.

If you are a landowner with a tract of land at least 25 acres or more, that is partially or wholly located within the proposed area, you may request to be excluded from the proposed area (or "opt out") by providing written notice to the commission within (30) days from the date that notice was provided by the applicant. All requests to opt out of the requested service area must include a scaled, general location map and a metes and bounds description of the tract of land.

**Persons who meet the requirements to opt out, and wish to request this option should file the required documents with the:**

Filing Clerk  
Public Utility Commission of Texas  
1701 North Congress Avenue  
P.O. Box 13326  
Austin, Texas 78711-3326

A copy of the request to opt out of the proposed area must also be sent to the applicant. Staff may request additional information regarding your request.

***Si desea informacion en Espanol, puede llamar al 1-888-782-8477***

## Notice to Neighboring Systems, Landowners and Cities

### NOTICE OF APPLICATION FOR CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) TO PROVIDE WATER/SEWER UTILITY SERVICE IN

San Patricio COUNTY(IES), TEXAS

To: \_\_\_\_\_ Date Notice Mailed \_\_\_\_\_ 20 \_\_\_\_  
(Neighboring System, Landowner or City)

\_\_\_\_\_  
(Address)

\_\_\_\_\_  
City State Zip

Name of Applicant Portland has filed an application for a  
CCN to obtain or amend CCN No. (s) 10541 and 20216 and to  
decertify a portion(s) of N/A with the  
(Name of Decertified Utility)

Public Utility Commission of Texas to provide water & sewer  
(specify 1) water or 2) sewer or 3) water & sewer)  
utility service in San Patricio County(ies).

The proposed utility service area is located approximately 4 miles west  
[direction] of downtown Portland, [City or Town] Texas, and is  
generally bounded on the north by US 181; on the east by  
LaQuinta Terminal Road; on the south by Corpus Christi and Nueces Bay; and on the west by CR 77 and CR 81

**See enclosed map of the proposed service area.**

The total area being requested includes approximately 5,700 acres and \_\_\_\_\_  
current customers.

A request for a public hearing must be in writing. You must state (1) your name, mailing address, and daytime telephone number; (2) the applicant's name, application number or another recognizable reference to this application; (3) the statement, "I/we request a public hearing"; (4) a brief description of how you or the persons you represent, would be adversely affected by the granting of the application for a CCN; and (5) your proposed adjustment to the application or CCN which would satisfy your concerns and cause you to withdraw your request for a hearing.



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within thirty (30) days from the date of this publication or notice. A public hearing will be held only if a legally sufficient hearing request is received or if the commission on its own motion requests a hearing. Only those individuals who submit a written hearing request or a written request to be notified if a hearing is set will receive notice if a hearing is scheduled.

If a public hearing is requested, the commission will not issue the CCN and will forward the application to the State Office of Administrative Hearings (SOAH) for a hearing. If no settlement is reached and an evidentiary hearing is held, the SOAH will submit a recommendation to the commission for final decision. If an evidentiary hearing is held, it will be a legal proceeding similar to a civil trial in state district court.

If you are a landowner with a tract of land at least 25 acres or more, that is partially or wholly located within the proposed area, you may request to be excluded from the proposed area (or "opt out") by providing written notice to the commission within (30) days from the date that notice was provided by the applicant. All requests to opt out of the requested service area must include a scaled, general location map and a metes and bounds description of the tract of land.

**Persons who meet the requirements to opt out, and wish to request this option should file the required documents with the:**

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Public Utility Commission of Texas  
1701 North Congress Avenue  
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A copy of the request to opt out of the proposed area must also be sent to the applicant. Staff may request additional information regarding your request.

**Si desea informacion en Espanol, puede llamar al 1-888-782-8477**

## Notice to Customers of IOUs in Proposed Area

NOTICE OF APPLICATION FOR CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) TO  
PROVIDE WATER/SEWER UTILITY SERVICE IN \_\_\_\_\_ COUNTY(IES), TEXAS

Dear Customer: \_\_\_\_\_ Date Notice Mailed \_\_\_\_\_ 20 \_\_\_\_\_

Name of Applicant \_\_\_\_\_ has filed an application for a  
CCN to obtain or amend CCN No. (s) \_\_\_\_\_ and to  
decertify a portion(s) of \_\_\_\_\_ with the  
(Name of Decertified Utility)

Public Utility commission of Texas to provide \_\_\_\_\_  
(specify 1) water or 2) sewer or 3) water & sewer)  
utility service in \_\_\_\_\_ County(ies).

The proposed utility service area is located approximately \_\_\_\_\_ miles \_\_\_\_\_  
[direction] of downtown \_\_\_\_\_, [City or Town] Texas.

A copy of the proposed service area map is available at (Utility Address and Phone  
Number): \_\_\_\_\_

The current utility rates which were first effective on \_\_\_\_\_ 20 \_\_\_\_\_

Monthly Flat Rate of \$ \_\_\_\_\_ Per connection

-OR-

Monthly Base Rate Including per \_\_\_\_\_ gallons  
connection for:

5/8" meter	\$ _____
1" meter	\$ _____
1 1/2" meter	\$ _____
2" meter	\$ _____

Other\$ \_\_\_\_\_

Gallonage charge of \$ \_\_\_\_\_ Per 1,000  
Gallons above minimum (same for all meters sizes)

### Miscellaneous Fees

#### Regulatory Assessment

Tap Fee (Average Actual Cost)

#### Reconnecting fee:

- Non Payment (\$25.00 max)
- Transfer
- Customer's request

#### Late fee

#### Returned Check charge

Customer Deposit (\$50.00 max)

#### Meter test fee

(Actual Cost not Exceed \$25.00)

#### Other Fees

1%
\$ _____
\$ _____
\$ _____
\$ _____
\$ _____
\$5.00 or 10%
\$ _____
\$ _____
\$ _____
\$ _____

**Your utility service rates and fees cannot be changed by this application. If you are currently paying rates, those rates must remain in effect unchanged. Rates may only be increased if the utility files and gives notice of a separate rate change application.**

**A request for a public hearing must be in writing.** You must state (1) your name, mailing address, and daytime telephone number; (2) the applicant's name, application number or another recognizable reference to this application; (3) the statement, "I/we request a public hearing"; (4) a brief description of how you or the persons you represent, would be adversely affected by the granting of the application for a CCN; and (5) your proposed adjustment to the application or CCN which would satisfy your concerns and cause you to withdraw your request for a hearing.

**Persons who wish to intervene or comment should write the:**

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within thirty (30) days from the date of this publication or notice. A public hearing will be held only if a legally sufficient hearing request is received or if the commission on its own motion requests a hearing. Only those individuals who submit a written hearing request or a written request to be notified if a hearing is set will receive notice if a hearing is scheduled.

If a public hearing is requested, the Commission will not issue the CCN and will forward the application to the State Office of Administrative Hearings (SOAH) for a hearing. If no settlement is reached and an evidentiary hearing is held, the SOAH will submit a recommendation to the commission for final decision. If an evidentiary hearing is held, it will be a legal proceeding similar to a civil trial in state district court.

**IF A HEARING IS HELD,** it is important that you or your representative attend to present your concerns. Your request serves only to cause a hearing to be held and is not used during the hearing.

If you are a landowner with a tract of land at least 25 acres or more, and is partially or wholly located within the proposed area, you may request to be excluded from the proposed area (or "opt out") by providing written notice to the commission within (30) days from the date that notice was provided by the applicant. All requests to opt out of the requested service area must include a scaled, general location map and a metes and bounds description of the tract of land.

**Persons who meet the requirements to opt out, and wish to request this option should file the required documents with the:**

Filing Clerk  
Public Utility Commission of Texas  
1701 North Congress Avenue  
P.O. Box 13326  
Austin, Texas 78711-3326

A copy of the request to opt out of the proposed area must also be sent to the applicant. Staff may request additional information regarding your request.

**Si desea informacion en Espanol, puede llamar al 1-888-782-8477**

**B. Demonstrate the Need for Service:**

The City of Portland currently provides service outside of our city limits in several locations along the eastern, northern, and western boundary of the City. Recent annexations have further extended the City boundaries whereby properties inside City limits for which utility service is proposed is not within the City's existing CCN. We are requesting the expansion of the CCN to provide exclusive water and sewer services within our city limits and in areas that we are either currently providing utility service or expect utility service to be desired in the near future.

Recent plat approvals and recent non-platted development include:

- The Voestalpine industrial plant located east of the city limits
- Wes Ridge Subdivision located at the corner of CR 1612 and CR 72A
- Jersey Heights Subdivision located along CR 81
- Single-family estates on Buddy Ganem Drive between CR 79 and CR 81
- Proposed residential development at the northwest corner of Moore Avenue and CR 79 (no formal application has yet been submitted)

The expanded CCN would best allow the City to serve these developments and future developments in their vicinity. The expanded CCN also follows more logical planning boundaries, including major roadways, highways, and parcel lines.

**Written Description of the Proposed Service Area:**

The proposed service area for the amended CCN is generally the City of Portland city limits, as well as adjacent areas to the east, north, and west of the city limits for which the City of Portland either currently provides service or will be requested to provide service in the near future.

**Section 5G Effect of Granting a Certificate Amendment:**

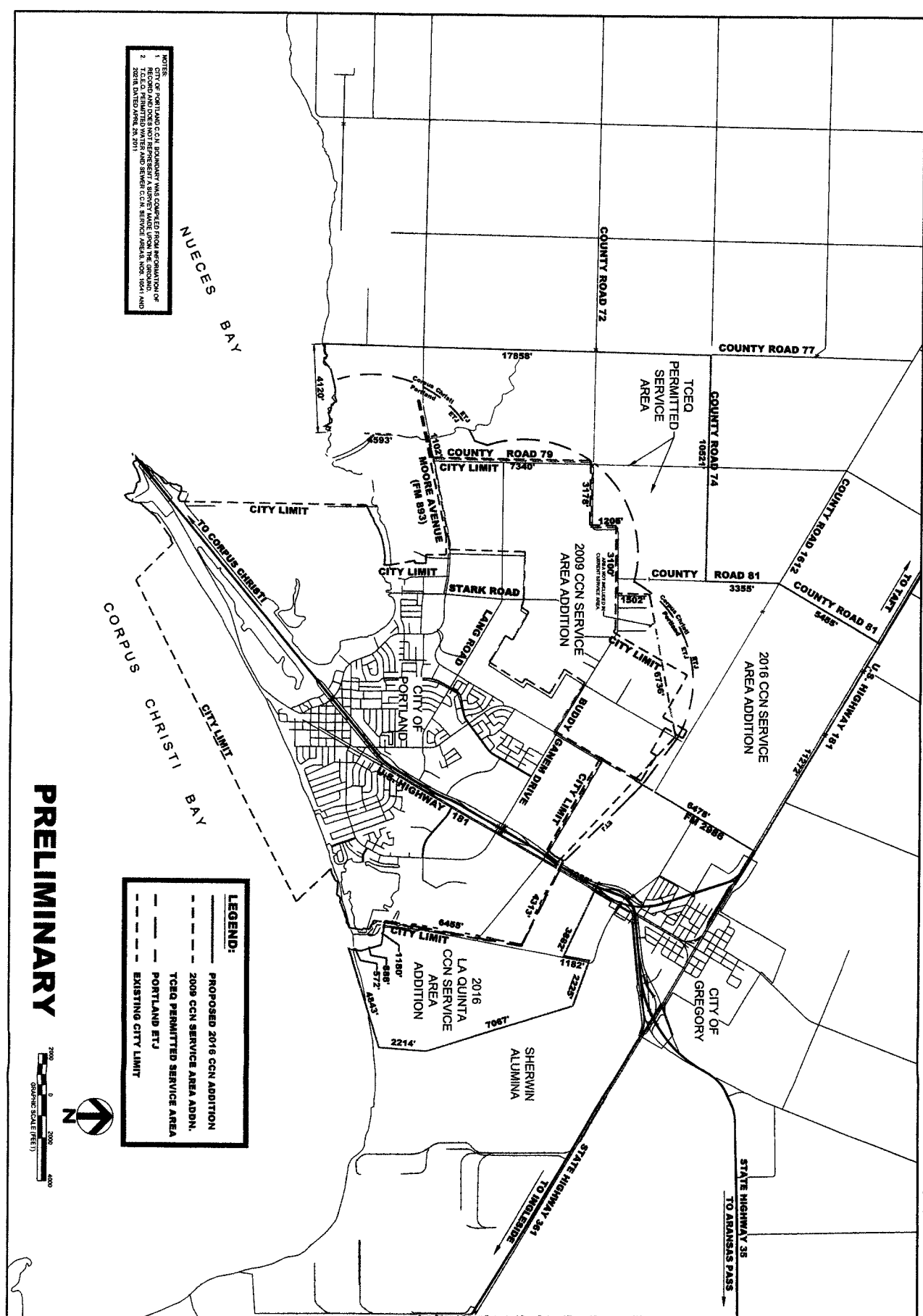
The effect of granting a CCN amendment is:

- A. The City will continue to be compliant with TCEQ regulations. The City will be able to provide the newly annexed areas with water and sewer service which is a requirement of recent annexation. The Voestalpine industrial plant has requested water service from the City; distribution of water into this area would require the City to provide water outside of the existing CCN. Commitment of extending infrastructure without having an exclusive CCN places the City at risk of extending infrastructure for a reduced population served.
- B. There is no other public utility serving the area within the proposed CCN.
- C. The City will be able to provide the newly annexed areas and areas under development agreements with water and sewer service as they develop.

**Section 5I Ability to Provide Adequate Service.**

The City of Portland has a contract with the San Patricio Municipal Water District (SPMWD) which guarantees they will provide the needed water to the City.

- A. The current population of Portland is 20,200. The projected population in the year 2060 is 40,000. SPMWD can accommodate the growth of the City and its demand for water. The City wastewater treatment plant is permitted for 2.5 MGD (peak 7.5 MGD). Once the City approaches 75% capacity, we will begin construction of an additional 2.5 MGD plant expansion for a total of 5 million gallon capacity. The City anticipates this expansion to be required in 2025.
- B. The current land use of the newly annexed areas is non-irrigated agricultural use and the demand for water and wastewater are minimal. The anticipated future land use for the requested area is large estate single-family residential.



**PRELIMINARY**

NOTES:  
1. CITY OF PORTLAND C.C.N. BOUNDARY WAS COMPILED FROM INFORMATION OF RECORD AND DOES NOT REPRESENT A SERVICE AREA UNDER THE BOUNDARY.  
2. 2009 CCN SERVICE AREA, PORTLAND, TEXAS, 1004, AND 2009, DATED APRIL 26, 2011.

**LEGEND:**  
 - - - - - PROPOSED 2016 CCN ADDITION  
 - - - - - 2009 CCN SERVICE AREA ADDN.  
 - - - - - TCSD PERMITTED SERVICE AREA  
 - - - - - PORTLAND ETJ  
 - - - - - EXISTING CITY LIMIT



DES	AR	DATE	FEBRUARY 2016	NO	DATE	REVISIONS
DRN	AR	SCALE	AS SHOWN	1		
CHK	DH	PROJ NO	2009C	2		
APP	JDR	DWG NO	2009C-TORCLOWING	3		

THIS DOCUMENT IS HEREBY  
UNDER THE AUTHORITY OF  
CITY OF PORTLAND, TEXAS  
APPROVED ONLY AND SHALL  
NOT BE USED FOR ANY  
CONSTRUCTION WORKING ON  
RIGHT PURPOSES.

SINCE FEBRUARY 23, 2016

**CITY OF PORTLAND  
WATER & SEWER SERVICE AREA**

**OVERALL MAP  
C.C.N. BOUNDARY LINE**  
CITY OF PORTLAND, TEXAS

**CR & G**  
Coyne, Rehmet & Gutierrez  
Engineering, L.P.  
6656 South Staples, Suite 230  
Corpus Christi, Texas 78411  
Phone (361) 991-6550 Fax 993-7560  
E-Mail: crg@crge.com

STATE OF TEXAS §

COUNTY OF SAN PATRICIO §

**City of Portland CCN Boundary  
2016 CCN Service Area Addition**

**FIELD NOTES** to describe the CCN boundary for water and sewer services being more particularly described by metes and bounds as follows:

**BEGINNING** at the city limit line on Moore Avenue (FM 893) at its intersection with County Road 79;

**THENCE, WEST**, a distance of **1,102'** (0.21 miles) along said Moore Avenue to the west side of Gum Hollow Slough or Waterway for a point of this description;

**THENCE, SOUTH**, a distance of **4,593'** (0.87 miles) to a point in the north shoreline of Nueces Bay for a point of this description;

**THENCE, WEST**, a distance of **4,120'** (0.78 miles) along said shoreline to a point of intersection at County Road 77 centerline for a point of this description;

**THENCE, NORTH**, a distance of **17,858'** (3.38 miles) along said County Road 77 to its intersection with County Road 74 for a point of this description;

**THENCE, EAST**, a distance of **10,521'** (1.99 miles) along said County Road 74 to its intersection with County Road 81 for a point of this description;

**THENCE, NORTH**, a distance of **3,355'** (0.64 miles) along said County Road 81 to its intersection with County Road 1612 for a point of this description;

**THENCE, NORTHEAST**, a distance of **5,455'** (1.03 miles) continuing along said County Road 81 to its intersection with the Union-Pacific Railroad right-of-way for a point of this description.

**THENCE, SOUTHEAST**, a distance of **11,272'** (2.14 miles) along said railroad right-of-way to its intersection with Farm to Market Road 2986 for a point of this description;

**THENCE, SOUTHWEST**, a distance of **6,478'** (1.23 miles) along said F.M.2986 to its intersection with the existing city limits line for a point of this description;

**THENCE, NORTHWEST**, a distance of **2,767'** (0.52 miles) along the existing city limits line to the centerline of County Road 72A for a point of this description:

**THENCE, SOUTHWEST**, a distance of **6,736'** (1.28 miles) to a point in line with the northerly extension of Hinterland Road right-of-way for a point of this description:

**THENCE, SOUTH** a distance of **1,502'** (0.28 miles) along Hinterland Road and along the existing city limits line to its intersection with County Road 72 for a point of this description:

**THENCE, WEST**, a distance of **3,100'** (0.59 miles) along the existing city limits line and continuing along County Road 72 to a turn in said roadway and for a point of this description:

**THENCE, SOUTH** a distance of **1,205'** (0.23 miles) along the existing city limits line and continuing along County Road 72 to a turn in the road for a point of this description:

**THENCE, WEST**, a distance of **3,178'** (0.60 miles) along the existing city limits line and continuing along County Road 72 to its intersection with County Road 79 for a point of this description:

**THENCE, SOUTH**, a distance of **7,340** to the **POINT OF BEGINNING**.

This description is compiled from information of record and does not represent a survey made upon the ground.



STATE OF TEXAS

§

City of Portland CCN Boundary  
La Quinta Area

COUNTY OF SAN PATRICIO

§

**FIELD NOTES** to describe the CCN boundary for water and sewer being more particularly described by metes and bounds as follows:

**BEGINNING** at the city limit line on U.S. Highway 181 approximately 660' south of its intersection with La Quinta Terminal Road;

**THENCE, NORTHEAST**, a distance of **1,985'** (0.38 miles) along the existing city limits line and along said U.S. Highway 181 for a point of this description;

**THENCE, SOUTHEAST**, a distance of **3,882'** (0.74 miles) for a point of this description;

**THENCE, NORTH**, a distance of **1,182'** (0.22 miles) for a point of this description;

**THENCE, SOUTHEAST**, a distance of **2,225'** (0.42 miles) to a point in the boundary of La Quinta for a point of this description;

**THENCE, SOUTHEAST**, a distance of **7,067'** (1.34 miles) along said La Quinta boundary for a point of this description;

**THENCE, SOUTH**, a distance of **2,214'** (0.42 miles) continuing along said La Quinta boundary to its intersection with the north shoreline of Corpus Christi Bay for a point of this description;

**THENCE, SOUTHWEST**, a distance of **4,843'** (0.92 miles) along said shoreline to the east side of the Green Lake outfall area on the current city limits line for a point of this description;

**THENCE, NORTH**, a distance of **572'** (0.11 miles) along the existing city limits line for a point of this description;

**THENCE, NORTHWEST**, a distance of **888'** (0.17 miles) along the existing city limits line for a point of this description;

**THENCE, WEST**, a distance of **1,180'** (0.22 miles) along the existing city limits line for a point of this description;

**THENCE, NORTH** a distance of **6,455'** (1.22 miles) along the existing city limits line for a point of this description;

**THENCE, NORTHWEST**, a distance of **4,313'** (0.82 miles) to the **POINT OF BEGINNING**.

This description is compiled from information of record and does not represent a survey made upon the ground.

Bryan W. Shaw, Ph.D., P.E., *Chairman*  
Toby Baker, *Commissioner*  
Jon Niermann, *Commissioner*  
Richard A. Hyde, P.E., *Executive Director*

## TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

*Protecting Texas by Reducing and Preventing Pollution*

January 15, 2015

The Honorable David Krebs  
Mayor of Portland  
1900 Billy G Webb  
Portland, Texas 78374

Re: Comprehensive Compliance Investigation at:  
City of Portland Wastewater Treatment Facility, 1095 Moore Avenue, Portland  
(San Patricio County), Texas  
Regulated Entity No.: 103016416, TCEQ ID No.: WQ0010478001, Investigation No.: 1305210

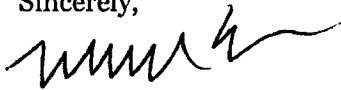
Dear Mayor Krebs:

On November 17, 2015, Mr. Gerardo Arrambide of the Texas Commission on Environmental Quality (TCEQ) Corpus Christi Region Office conducted an investigation of the above-referenced facility to evaluate compliance with applicable requirements for wastewater treatment. No violations are being alleged as a result of the investigation, however, please see the enclosed Additional Issues.

Self-reported effluent violations may be subject to formal enforcement, including penalties, upon review by the Enforcement Division.

The TCEQ appreciates your assistance in this matter and your compliance efforts to ensure protection of the State's environment. If you or members of your staff have any questions regarding these matters, please feel free to contact Mr. Arrambide in the Corpus Christi Region Office at 361-825-3100.

Sincerely,



Melanie Edwards  
Water Section Manager  
Corpus Christi Region Office

ME/GA/mjd

Enclosure: Summary of Investigation Findings

## Summary of Investigation Findings

CITY OF PORTLAND PLANT 1

1095 MOORE AVE

PORTLAND, SAN PATRICIO COUNTY, TX 78374

Investigation #

1305210  
Investigation Date: 11/17/2015

Additional ID(s): WQ0010478001  
TX0055433

### ALLEGED VIOLATION(S) NOTED AND RESOLVED

Track No: 572129

30 TAC Chapter 305.125(1)

#### PERMIT WQ0010478001, Monitoring & Reporting Requirements # 7

Any noncompliance that may endanger human health, safety, or the environment shall be reported by the permittee to the TCEQ. Report of such information shall be provided orally or by facsimile transmission to the Regional Office within 24 hours of becoming aware of the noncompliance. A written submission of such information shall also be provided by the permittee to the Regional Office and the Enforcement Division (MC 224) within five working days of becoming aware of the noncompliance.

#### Alleged Violation:

Investigation: 1254732

Comment Date: 06/04/2015

Failed to report any noncompliance that may endanger human health, safety, or the environment to the TCEQ. Specifically, the City of Portland did not report the unauthorized discharges that occurred on March 18, 2015, April 14, 2015, and May 15, 2015 from a cleanout located at 124 Granby Place. The unauthorized discharges were caused by infiltration/inflow.

Investigation: 1305210

Comment Date: 01/15/2016

The compliance status of this outstanding alleged violation was evaluated during this investigation.

**Recommended Corrective Action:** Report unauthorized discharges orally or by facsimile transmission to the Corpus Christi Region Office within 24 hours of becoming aware of the noncompliance. A written submission of such information shall also be provided by the permittee to the Corpus Christi Region Office and the Enforcement Division (MC 224) within five working days of becoming aware of the noncompliance.

Please submit to this office by the compliance due date documentation demonstrating compliance has been achieved for this alleged violation.

If the City of Portland receives another documented violation for failing to comply with the regulatory reporting requirements, the permittee may be considered for withdrawal from the Sanitary Sewer Overflow Initiative (SSOI).

**Resolution:** The City of Portland appears to be complying with the regulatory reporting requirements for sanitary sewer overflows. The City of Portland reported a discharge from a customer cleanout due to a city main blockage on September 14, 2015.

### ADDITIONAL ISSUES

Description

Additional Comments

## ITEM

The City of Portland reported fourteen Sanitary Sewer Overflows (SSOs) during the time period between May 1, 2014 and November 11, 2015, for an estimated total of 165,680 gallons. The SSOs occurred as follows:

June 10, 2014 - 200 gallons (sewer main stoppage); July 14, 2014 - 700 gallons (clogged pumps at lift station); July 31, 2014 - 5,000 gallons (break in the force main line); August 30, 2014 - 65,000 gallons (bar screen failure at WWTP); March 18, 2015 - 90,000 gallons (line discharge at lift station); April 14, 2015 - unknown amount (I&I); May 4, 2015 - 50 gallons; (lift station pumps tripped); July 1, 2015 - 100 gallons (power outage at lift station); July 15, 2015 - 4,500 gallons (clogged sewer main line); July 16, 2015 - 10 gallons (debris in city raiser); September 14, 2015 - unknown amount (clogged sewer main line); September 21, 2015 - unknown amount (unknown cause); October 23, 2015 - 120 gallons (clogged sewer main line); November 11, 2015 - unknown amount (line break).

The City of Portland properly addressed the cause of the incidents and took appropriate actions to correct the problem and prevent recurrence of these incidents. The City of Portland mitigated the areas affected by the SSOs each time.

## ITEM

The City of Portland reported one effluent permit exceedance at Outfall 001 during the period of November 2014 to October 2015 for Enterococci, CFU/100 ml (daily max).

Self-reported effluent violations may be subject to formal enforcement, including penalties, upon review by the Enforcement Division.

## Employee License List

Name	License	Number	Last Update Expire	Jan-16 CEUs																
Baker, Paden A.	W D	WO0036696	3/17/2018	24	Basic	Safety														
	WW D	WW0052734	2/4/2018	44	Basic	Treatmen	Safety													
Barrera, Reynaldo	W C	WD0000142	5/28/2016	76	Basic2	Distribut	Safety	Pump&M	Ucalcula	Val&Hyd	UManage	Wlab								
	WW CII	WW0024816	7/28/2018	4	Basic	Collecti	Safety	Pump&M	Ucalcula	Val&Hyd	Treatme2	UManage								
	WW C	WW0035620	5/8/2017	28	Basic	Collecti	Safety	Pump&M	Ucalcula	Val&Hyd	Treatme2	UManage								
	W B	pending--11/6/15																		
Bernal, Juan L.	WW B	WW0049759	12/10/2016	10	Basic	Collecti2	Safety	Pump&P	CIMaint	OpActSlu	Treatme	UManage	WWlab							
	W C	pending--1/7/16		24	Basic	Distribu	Safety	Pump&P	CIMaint			UManage								
	WW CI	WW0053336	8/3/2018	2																
Bittler, Richard M.	W D	WO0036699	5/4/2018	2	Basic															
	WW CI	WW0053851	7/16/2018	2	Collectio															
Carrera, Derek W.	W D	WO0036701	4/1/2018	2	Basic															
	WW CI	WW0053937	8/3/2018	2																
Hutchinson, Jon R.	W C	WD0012929	10/16/2018	2	Basic	Distribut	Safety	Pump&P			Treatme									
	WW CII	WW0053124	8/14/2018	4	Basic	Collecti	Safety	Pump&P												
Irvin, Josh R.	WW CI	WW0042034	5/14/2016	595	Basic	Collecti		Pump&P	UCalcula	Val&Hyd	UManage									
					Basic			Pump&P	UCalcula	Val&Hyd	UManage									
Lopez, Joe C. Jr.	W C	WD0011792	3/13/2017	84	Basic	Distribut	Safety	Pump&P		2Val&Hyd	UManage									
	WW B	WW0053126	6/1/2018	22	Basic	Collecti	Safety	Pump&P		2Val&Hyd	UManage									
	WW CII	WW0052123	11/12/2017	84	Basic	Collecti	Safety	Pump&P		2Val&Hyd	UManage									
Rodriguez, Adan	WW CI	WW0012014	7/14/2018	4	Basic	Collecti2	?General													
Selman, David E.	W C	WD0008409	9/30/2018	0	Basic	Distribut	Safety	Pump&P	UCalcula	Val&Hyd	CIMaint									
	WW C	WW0040891	3/8/2019	0	Basic	Collecti2	Safety	Pump&P	UCalcula	Val&Hyd	Treatme	CIMaint	WW lab	OpActSlu						
Temple, Ricky D.	W B	WD0003403	4/13/2017	36	Basic	Distribut	Safety	Pump&M	Umanag	AdvMana	CIMaint	W lab	SurWate							
	WW B	WW0016433	3/22/2018	16	Basic	Collecti	Safety	Pump&M	Umanag	AdvMana	Treatme	CIMaint	WW lab2	WWTech	OpActSlu					

**REVISED AND RESTATED WATER SUPPLY CONTRACT  
BETWEEN  
SAN PATRICIO MUNICIPAL WATER DISTRICT  
AND  
THE CITY OF PORTLAND, TEXAS**

THE STATE OF TEXAS           §  
  §  
COUNTY OF SAN PATRICIO   §

This Revised and Restated Water Supply Contract between San Patricio Municipal Water District and the City of Portland, Texas (the "Revised and Restated Contract"), is made and entered into by and between San Patricio Municipal Water District, a conservation district and political subdivision of the State of Texas, duly created by the Legislature of the State of Texas, acting herein by and through its duly authorized officers, hereinafter called the "District," and the City of Portland, Texas, a municipal corporation, duly organized under the laws of the State of Texas, acting by and through its duly authorized officers, hereinafter called the "City."

**WITNESSETH:**

WHEREAS, the District and the City entered into a Contract and Agreement dated May 13, 1963, pursuant to which the District has furnished a water supply to the City (the "Contract"); and

WHEREAS, the Contract was amended by the Water Contract Amendment (the "First Amendment") dated November 15, 1983; and

WHEREAS, the District and the City entered into the Second Amendment to Water Supply Contract between San Patricio Municipal Water District and the City of Portland, Texas dated August 15, 1998 (the "Second Amendment"); and

WHEREAS, the District and the City entered into the Third Amendment to Water Supply Contract between San Patricio Municipal Water District and the City of Portland, Texas with effective date October 14, 2008 (the "Third Amendment"); and

WHEREAS, the Contract, the First Amendment, the Second Amendment and the Third Amendment are hereafter referred to as the "Prior Contract," and it is now necessary to revise and restate the Prior Contract in its entirety to accommodate the desires of the parties; and

WHEREAS, some or all of the District's retail provider customers have been cited by the Texas Commission on Environmental Quality (the "TCEQ") for failure to comply with 30 TAC §290.45 which requires purchased water systems to have a wholesale contract that obligates the wholesaler to provide an amount of water that, with the addition of the actual production capacity of the purchased water system, is equal to at least 0.6 gpm per connection; and

WHEREAS, 30 TAC §290.45 authorizes alternative capacity requirements, as submitted by a licensed professional engineer, and the District has caused to be prepared the City of Portland - Alternative Capacity Requirements Study, prepared by James Schwarz, P.E., and that study concluded that the number 0.40 gpm may be substituted for the 0.6 gpm requirement in the rule; and

WHEREAS, the District is willing to commit to providing 0.40 gpm per connection to the City provided that the City provide information annually on its number of connections and water usage, and provided that the City not serve any nonresidential customer with an amount of water exceeding the amount specified in this Revised and Restated Contract, unless such service is consented to in writing by the District.

## AGREEMENT

NOW THEREFORE, the District and the City, each acting by and through its official representatives duly authorized by the governing body of each party to execute this Revised and Restated Contract, do hereby agree as follows:

### ARTICLE I

#### Revised and Restated Agreement

1.1 **Effective Agreement.** This Revised and Restated Agreement supercedes and replaces the Prior Agreement in its entirety, effective as of the Effective Date.

### ARTICLE II

#### Quantity

2.1 **Quantity.** The District currently receives raw water, and has the right to receive treated water, from the City of Corpus Christi pursuant to the Raw Water Supply Contract between the City of Corpus Christi and San Patricio Municipal Water District dated March 17, 1997 and the Treated Water Supply Contract between the City of Corpus Christi and San Patricio Municipal Water District dated March 17, 1997, which contracts are hereinafter referred to as the "Corpus Christi Raw Water Contract" and the "Corpus Christi Treated Water Contract," respectively. Subject to the provisions of Articles XI and XVI hereof, and the provisions of the Corpus Christi Raw Water Contract and Corpus Christi Treated Water Contract, the District agrees to sell and deliver to the City at the delivery points hereinafter specified, and the City agrees to purchase and take at said delivery points, all water required by the City during the period of this agreement for its own use and for distribution to all customers served by the City's water distribution system in an amount up to 0.40 gpm per connection. The District will use its best efforts to remain in the position to furnish water sufficient for the reasonable demands of the City, but its obligations shall be limited to the quantity of water available to it under its contracts with the City of Corpus Christi and such other sources of water supply as the District may be able to obtain, having due regard for the equitable rights of other customers of the District to water from the same source.

The alternative capacity requirement described in the foregoing recitals was approved by the Executive Director of the TCEQ in a letter dated April 25, 2007, signed on behalf of the Executive Director by Amanda Jigmond. If the Executive Director revokes or revises the alternative capacity requirement, the District and the City will work together in good faith in an effort to amend the provisions of this foregoing paragraph 2.1 to comply with the Executive Director's revised requirements.

### ARTICLE III

#### Quality

3.1 **Quality.** The quality of water supplied to the City at the delivery points shall be sufficient to meet the requirements for potable water established by the Texas Commission on Environmental Quality ("TCEQ") and the United States Environmental Protection Agency ("EPA"). The District shall not be responsible for maintaining any particular amount of disinfectant in the City's system.

### ARTICLE IV

#### Points of Delivery and Title

4.1 **Points of Delivery and Title.** The District will deliver water to the City at the existing delivery points and such other delivery points as may be agreed upon by the managers of the District and the City. The District will deliver water at the outlet of the existing meter or meters and such other meters as may be agreed upon by the managers of the District and the City. Title to water shall pass to the City when it passes through the meters at the points of delivery.

### ARTICLE V

#### Measuring of Water

5.1 **Measuring of Water.** The District has furnished and installed, and shall operate and maintain at its own expense at said delivery points, the necessary equipment and devices of standard type for measuring properly the quantity of water delivered under this agreement. Such meter or meters and other equipment so installed shall remain the property of the District. The City may, at its option and its own expense, install and operate a check meter to check each meter installed by the District, but the measurement of water for the purpose of this Revised and Restated Contract shall be solely by District's meter.

The District's meter shall be checked annually at the expense of the District by the District's employees or agents as to accuracy of registration. Whenever the District meter is to be checked, the District shall notify the City ten (10) days in advance of such check in order that the City may have a representative present as a witness. If either the City or the District at any time shall notify the other that it desires a special test of the District meter, the District and the City shall cooperate to secure an immediate determination of the accuracy thereof and may make joint observation of any such tests and adjustments. If upon such special tests the meter is found to be less than two percent



(2%) high or low, the cost of such test shall be paid by the party requesting it; otherwise, by the District. If upon any test the meter tested is found to be more than two percent (2%) high or low, the registration thereof shall be corrected for a period extending back to the time when such inaccuracy began, if such time is ascertainable, and if such time is not ascertainable, then for a period extending back one-half (1/2) of the time elapsed since the last date of meter check, but in no event further back than a period of six (6) months. If for any reason the meter is out of service or out of repair so that the amount of water delivered cannot be ascertained or computed from the reading thereof, the water delivered during the period such meter is out of service or out of repair shall be estimated and agreed upon by the parties hereto upon the basis of the best data available.

The City shall have access to the metering equipment of District at all reasonable times, but the reading, calibration, checking and adjustment thereof shall be done by the employees or agents of the District.

For the purpose of this Revised and Restated Contract, the original record or reading of the meter shall be the journal or other record book of District in its office in which the records of the employees or agents of the District who take the reading are or may be transcribed. Upon request, District will permit the City to have access to the records of the District in the office of the District during reasonable business hours.

#### ARTICLE VI Unit of Measurement

6.1 **Unit of Measurement.** The unit of measurement for water delivered hereunder shall be 1,000 gallons of water, U.S. Standard Liquid Measure.

#### ARTICLE VII Billing and Payment

7.1 **Billing and Payment.** The District shall read all of the meters monthly and will promptly render monthly bills to the City based on such readings. Such bills shall be due and payable within twenty-five (25) days from the date the same are deposited in the United States mails, properly stamped and addressed to the City.

7.2 **Late Payment.** In the event the City shall fail to make any payment required to be made to the District under this Revised and Restated Contract, within the time specified herein, interest on the amount due shall accrue at the rate of one and one-half percent (1.5%) per month, or the maximum rate allowed by law, whichever is less, from the date such payment becomes due, until paid in full with interest as above specified. In the event any such payment is not made within sixty (60) days from date such payment becomes due, the District may, at its option, discontinue the delivery of water to the City until the amount then due to the District is paid in full with interest as above specified.

**ARTICLE VIII**  
**Special Conditions**

**8.1 Use of Streets and Alleys.** Should any pipeline or appurtenances, including communication lines, owned by the District be installed, whether now or later, in any street, alley or public way within the boundaries of the City, as same are now constituted or as may hereafter be extended, the City hereby grants to the District the right, privilege and franchise of using such streets, alleys and public ways for the purpose of maintaining, operating, laying, repairing and removing such pipelines and appurtenances, including communication lines.

**8.2 Sources of funds For Payment and Sufficiency of Rates and Charges.** The District shall never have the right to demand payment by the City of any obligation assumed or imposed on it under and by virtue of this Revised and Restated Contract from funds raised or to be raised by taxation. City's obligation under this Revised and Restated Contract shall never be construed to be a debt of the City of such kind as to require it under the laws of this State to levy and collect a tax to discharge such obligation, it being expressly understood by the parties hereto that all payments due by the City hereunder are to be made from the revenues received by the City from its waterworks system.

The City represents and covenants that the water supply to be obtained pursuant to this Revised and Restated Contract is essential and necessary to the operation of its waterworks system, and that all payments to be made hereunder by it will constitute reasonable and necessary "operating expenses" of the City's waterworks system as defined in Chapter 1502 of the Government Code, as amended, and that all such payments will constitute reasonable and necessary "operating expenses" of the City's waterworks system under any and all revenue bond issues of the City, with the effect that the City's obligation to make payments from its waterworks revenues under this Revised and Restated Contract shall have priority over its obligations to make payments of the principal of and interest on any and all of its revenue bonds.

City agrees to fix and collect such rates and charges for water and services to be supplied by its waterworks system as will make possible the prompt payment of all expenses of operating and maintaining its waterworks system, including all payment contracted hereunder, and the prompt payment of the principal of and interest on its obligations payable from the revenues of its waterworks system.

**ARTICLE IX**  
**Service to Certain New Nonresidential Customers**  
**and Annual Reporting of Number of Connections**

**9.1 District Consent Required for Service to Certain New or Expanding Nonresidential Customers.** If the City wants to serve a new nonresidential customer, or expand the service to an existing nonresidential customer, where, for the new nonresidential customer, or for the expansion to an existing nonresidential customer, the projected increase in the average daily

flow will exceed 10% of the average daily flow of the City, averaged over the preceding five calendar years, the City must obtain written consent from the District before providing such new service.

**9.2 Annual Reporting of Connections.** Each year, on or before January 31, the City will provide the District with a report on the number of connections served at the end of the previous year, in a format that enables the District to determine the number of connections that must be served at 0.40 gpm pursuant to 30 TAC §290.45. The City will, at the same time, provide a projection of that information for the year in which the report is made.

## **ARTICLE X**

### **Price of Water**

**10.1 Rates to Be Cost Based.** All rates charged pursuant to this Revised and Restated Contract shall be set to recover the cost of service, based on generally accepted ratemaking principles, including those set forth in the American Water Works Association AWWA Manual M1 on water rates.

**10.2 Rate Adjustment.** If in any fiscal year there is a material difference between the District's revenues and expenses, as compared to the revenues and expenses as projected in the applicable budget for that year, as determined by the District, the District may, after consultation with the City, to the extent deemed necessary or advisable by the District, in its sole discretion, change the rates to be charged to the City during that year.

**10.3 District Budget.** The District's fiscal year shall be from January 1 through December 31 of each year, or such other period as the District, after sixty (60) days written notice to the City, shall adopt. Not later than the seventh (7<sup>th</sup>) day after the date of the District's Board of Directors October budget review meeting each year, commencing with the District's fiscal year in which this Revised and Restated Contract becomes effective, the District shall provide the City with a copy of the District's proposed budget for the following fiscal year, showing the budgeted total annual rate, and the components thereof, to be paid by the City to the District for the fiscal year of the District to which the budget applies for sale and purchase of water under this Revised and Restated Contract. City shall have thirty (30) days to review and comment on the proposed budget. The District shall adopt its final budget as soon as practicable following the expiration of such thirty (30)-day period and shall deliver to the City a copy of each final budget within five (5) days after the adoption thereof.

## **ARTICLE XI**

### **Force Majeure**

**11.1 Force Majeure.** If the District should be prevented, wholly or in part, from furnishing water to the City under this Revised and Restated Contract by reason of acts of God, unavoidable accident, acts of the public enemy, strikes, floods, fires, governmental restraint or

regulations, pump station failures, breaks in pipelines or for any other cause beyond the District's control, then the obligation of the District to deliver water to the City shall be temporarily suspended during the continuance of such force majeure.

The rights of the City to obtain delivery of water from the District shall also be subject to all rights of the City of Corpus Christi with respect to the furnishing of water by said City of Corpus Christi to the District under the conditions of the District's contracts with the City of Corpus Christi. Reference is here made to each of said contracts, the terms of which are familiar to both of the parties hereto.

No damage shall be recoverable from the District by reason of the temporary suspension of delivery of water due to any of the causes above mentioned or due to the failure of the City of Corpus Christi to deliver water to the District. If the District's ability to deliver water to the City is affected by any of the causes above mentioned, the District shall promptly notify the City in writing, giving the particulars as soon as practicable after the occurrence of the cause or causes for such interruption.

If the supply of water available to the District is insufficient for any reason to serve the requirements of all of its customers, then the available amount of water will be allocated by the District pursuant to the provisions of the District's Drought Contingency Plan, as that plan may be amended from time to time.

## ARTICLE XII

### Alterations and Repairs

12.1 **Alterations and Repairs.** It is expressly recognized by the City that the District may be compelled to make necessary alterations, repairs and extensions of new or additional water transportation facilities from time to time during the life of this Revised and Restated Contract, and any suspension of delivery to the City due to such operation shall not be cause for claim of damage on the part of the City, provided all reasonable effort is used by the District to provide the City with water in accordance with this Revised and Restated Contract. In such case, the District shall give the City as much advance notice as may be practicable of the suspension of delivery and of the estimated duration thereof.

## ARTICLE XIII

### Term

13.1 **Term.** Unless sooner terminated or extended by mutual agreement of the parties hereto, this Revised and Restated Contract shall be in force and effect at any time while any of the District's bonds remain outstanding, or thirty (30) years from the Effective Date of this Revised and Restated Contract, whichever is later.

#### ARTICLE XIV

##### Effective Date

14.1 **Effective Date.** The Effective Date of this Revised and Restated Contract shall be the date on which it has been executed by both parties.

#### ARTICLE XV

##### Modification

15.1 **Modification.** This Revised and Restated Contract shall be subject to change or modification at any time but only with the mutual consent of the governing bodies of each of the parties hereto.

#### ARTICLE XVI

##### Corpus Christi Contract and Drought Contingency Plan

16.1 **Corpus Christi Contract and Drought Contingency Plan.** The City acknowledges that it is required by Sec. 11.1272, Water Code, to develop a drought contingency plan consistent with the appropriate approved regional water plan. The City also acknowledges that the Corpus Christi Raw Water Contract and the Corpus Christi Treated Water Contract require that, if the City of Corpus Christi implements any measures under its Water Conservation and Drought Contingency Plan, the District shall within thirty (30) days of notice of the implementation of any restrictions, surcharges or rationing by the City of Corpus Christi, impose similar restrictions, surcharges or rationing measures on its customers. Any contract for the resale of water furnished by the District shall contain a similar condition.

Accordingly, the City agrees that it will adopt a water conservation plan and drought contingency plan consistent with those of the City of Corpus Christi, as the latter may be amended from time to time.

#### ARTICLE XVII

##### Forum

17.1 **Forum.** Any disputes between the parties to this Revised and Restated Contract concerning the subject matter of this Revised and Restated Contract shall be submitted for resolution to the District Court of San Patricio County, Texas.

#### ARTICLE XVIII

##### Entirety

18.1 **Entirety.** This Revised and Restated Contract supersedes all previous agreements or representations, either written or verbal, heretofore in effect between the District and the City, made with respect to matters herein contained.

ARTICLE XIX  
In Witness Whereof

19.1 **In Witness Whereof.** The parties hereto have caused this document to be executed by their duly authorized representatives as shown below.

SAN PATRICIO MUNICIPAL WATER DISTRICT

By: *Philip J. Jernill*  
President

ATTEST:

*Rebecca Krumm*  
Secretary

[SEAL]

THE CITY OF PORTLAND, TEXAS

By: *David R. Krebs*  
Mayor

ATTEST:

*Annelle Hall*  
Secretary



THIRD AMENDMENT TO WATER SUPPLY CONTRACT  
BETWEEN  
SAN PATRICIO MUNICIPAL WATER DISTRICT  
AND  
THE CITY OF PORTLAND, TEXAS

THE STATE OF TEXAS

COUNTY OF SAN PATRICIO

This Third Amendment to Water Supply Contract between San Patricio Municipal Water District and the City of Portland, Texas ("Third Amendment"), is made and entered into by and between San Patricio Municipal Water District, a conservation district and political subdivision of the State of Texas, duly created by the legislature of the State of Texas, acting herein by and through its duly authorized officers, hereinafter called "District," and the City of Portland, Texas, a municipal corporation, duly organized under the laws of the State of Texas, acting by and through its duly authorized officers, hereinafter called "City."

WITNESSETH:

WHEREAS, the District and the City entered into a Contract and Agreement dated May 13, 1963 pursuant to which the District has furnished a water supply to the City (the "Contract"), and

WHEREAS, the Contract was amended by the Water Contract Amendment (the "First Amendment") dated November 15, 1983; and

WHEREAS, the Contract was again amended by the Second Amendment to Water Supply Contract ("Second Amendment") dated August 15, 1998; and

WHEREAS, it is now necessary to amend Section 1 of the Contract to comply with the requirements of the Texas Commission on Environmental Quality (the "TCEQ").

AGREEMENT

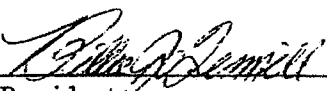
NOW THEREFORE, the District and the City, each acting by and through its official representatives duly authorized by the governing body of each party to execute this Third Amendment, do hereby agree as follows:

1. REPLACEMENT OF SECTION 1. OF CONTRACT

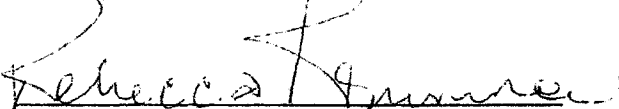
Section I of the Contract, entitled "QUANTITY" is hereby replaced in its entirety as follows:

1. **QUANTITY:** Subject to the provisions of Section 8 hereof, the District agrees to sell and deliver to the City at the delivery point hereinafter specified and the City agrees to purchase and take at said delivery point, all quantities of water required to meet all Texas Commission on Environmental Quality rules and regulations during the period of this agreement for its own use and for distribution to all customers served by the City's water distribution system. Both parties to this agreement understand that the District has similar contracts to furnish water to the other municipalities and other customers and will make additional contracts from time to time to furnish water to the customers. Neither party to this agreement is in a position to estimate the maximum or minimum amount of water which may be required by the City for any day during the term of this agreement. The District will use its best efforts to remain in the position to furnish water sufficient to meet all Texas Commission on Environmental Quality rules and regulations and the reasonable demands of the City, but its obligations shall be limited to the quantity of water available to it under its contracts with the City of Corpus Christi and such other sources of water supply as the District may be able to obtain, having due regard for the equitable rights of other customers of the District to water from the same source.
2. **EFFECTIVE DATE.** The effective date of the Third Amendment is October 14, 2008.
3. **EFFECT OF AMENDMENT.** As hereby amended, the Contract shall continue in full force and effect pursuant to its terms.
4. **IN WITNESS WHEREOF.** The parties hereto have caused this document to be executed by their duly authorized representatives to be effective as of the date above shown.

SAN PATRICIO MUNICIPAL WATER DISTRICT

By:   
President

ATTEST:

  
Secretary

[SEAL]

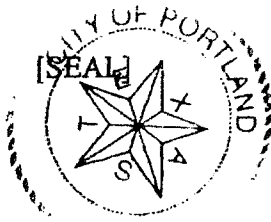


THE CITY OF PORTLAND, TEXAS

By: David P. Kulis  
Mayor

ATTEST:

Chnette Hall  
Secretary



**SECOND AMENDMENT TO WATER SUPPLY CONTRACT  
BETWEEN  
SAN PATRICIO MUNICIPAL WATER DISTRICT  
AND  
THE CITY OF PORTLAND, TEXAS**

THE STATE OF TEXAS                   §  
   §  
COUNTY OF SAN PATRICIO         §

This Second Amendment to Water Supply Contract between San Patricio Municipal Water District and the City of Portland, Texas ("Second Amendment"), is made and entered into by and between San Patricio Municipal Water District, a conservation district and political subdivision of the State of Texas, duly created by the Legislature of the State of Texas, acting herein by and through its duly authorized officers, hereinafter called "District," and the City of Portland, Texas, a municipal corporation, duly organized under the laws of the State of Texas, acting by and through its duly authorized officers, hereinafter called "City."

**WITNESSETH:**

WHEREAS, the District and the City entered into a Contract and Agreement dated May 13, 1963 pursuant to which the District has furnished a water supply to the City (the "Contract"); and

WHEREAS, the Contract was amended by the Water Contract Amendment (the "First Amendment") dated November 15, 1983; and

WHEREAS, the needs of the District's customers for water are increasing at a significant rate, which increase is expected to continue into the future, which increased demand requires the District to make substantial capital improvements to the District's treatment and transmission facilities, including the facilities to deliver water through what is commonly referred to as the "Texana Line" into the District facilities as an additional source of water to meet consumer demands; and

WHEREAS, in order to make such capital improvements the District intends to sell \$30 million in revenue bonds, which revenue bonds must be supported by contracts for the sale of water by the District with its wholesale customers; and

WHEREAS, the Contract as amended by the First Amendment will expire before the anticipated date for complete amortization of the revenue bonds; and

WHEREAS, it is necessary to amend the Contract to extend its term, to comply with the District's contracts with the City of Corpus Christi, and to address other changes made necessary by current conditions.

## AGREEMENT

NOW THEREFORE, the District and the City, each acting by and through its official representatives duly authorized by the governing body of each party to execute this Second Amendment, do hereby agree as follows:

1. REPLACEMENT OF FIRST AMENDMENT:

The Water Contract Amendment dated November 15, 1983 is hereby canceled, superseded and replaced with this Second Amendment.

2. REPLACEMENT OF SECTION 1. OF CONTRACT

Section I. of the Contract, entitled "QUANTITY" is hereby replaced in its entirety as follows:

"1. QUANTITY. Subject to the provisions of Section 8 hereof, the District agrees to sell and deliver to the City at the delivery point hereinafter specified, and City agrees to purchase and take at said delivery point, all water required by City during the period of this agreement for its own use and for distribution to all customers served by the City's water distribution system. Both parties to this agreement understand that District has similar contracts to furnish water to other municipalities and other customers and will make additional contracts from time to time to furnish water to the customers. Neither party to this agreement is in a position to estimate the maximum or minimum amount of water which may be required by City for any day during the term of this agreement. The District will use its best efforts to remain in the position to furnish water sufficient for the reasonable demands of the City, but its obligations shall be limited to the quantity of water available to it under its contracts with the City of Corpus Christi and such other sources of water supply as District may be able to obtain, having due regard for the equitable rights of other customers of the District to water from the same source."

3. REPLACEMENT OF SECTION 2. OF CONTRACT

Section 2. of the Contract, entitled "QUALITY" is hereby replaced in its entirety as follows:

"2. QUALITY. The quality of Water supplied to City shall be sufficient to meet the requirements for potable water established by the Texas Natural Resource Conservation Commission and the United States Environmental Protection Agency. The District shall

not be responsible for maintaining any particular amount of chlorine residuals in the City's system."

4. REPLACEMENT OF SECTION 3. OF CONTRACT

Section 3. of the Contract, entitled "POINT OF DELIVERY AND TITLE" is hereby replaced in its entirety as follows:

"3. POINT OF DELIVERY AND TITLE. The District will deliver Water to the City at the existing delivery point or points and such other delivery points as may be agreed upon by the managers of the District and the City. The District will deliver Water at the outlet of the existing meter or meters and such other meters as may be agreed upon by the managers of the District and the City. Title to water shall pass to City when it passes through the meter(s) at or near the point of delivery. Should any pipe line or appurtenances owned by the District be installed in any street, alley or public way within the boundaries of the City, as same are now constituted or as may hereafter be extended, the City hereby grants to the District the right, privilege and franchise of using such streets, alleys and public ways for the purpose of maintaining, operating, laying, repairing, and removing such pipe lines and appurtenances."

5. REPLACEMENT OF SECTION 4. OF CONTRACT

The first sentence of Section 4. of the Contract, entitled "MEASURING EQUIPMENT" is hereby replaced as follows:

"4. MEASURING EQUIPMENT. The District has furnished and installed, and shall operate and maintain at its own expense at its own expense at said delivery point the necessary equipment and devices of standard type for measuring properly the quantity of water delivered under this agreement."

6. Section 5. of the Contract, entitled "UNIT OF MEASUREMENT," is unchanged.

7. Section 6. of the Contract, entitled "BILLING AND PAYMENT," is unchanged.

8. REPLACEMENT OF SECTION 7. OF CONTRACT

Section 7. of the Contract, entitled "PRICE OF WATER" is hereby replaced in its entirety as follows:

"7. PRICE OF WATER:

7.01 Rates to be Cost Based. All rates charged pursuant to this Contract shall be set to recover the cost of service, based on generally accepted ratemaking principles, including

those set forth in the American Water Works Association AWWA Manual M1 on water rates. In the event of any dispute as to the rates being charged, the City and the District agree that the dispute will be appealed to the Texas Natural Resource Conservation Commission ("TNRCC") under applicable TNRCC rules. The City and the District agree to cooperate to satisfy any jurisdictional requirements that the TNRCC may require for it to determine the rate.

**7.02 Cost Components.** The following shall be components from which the water rates to be charged by the District and paid by the City shall be determined:

1. **Capital Costs.** The term "Capital Costs," as used in this Contract, shall mean all costs incurred in acquiring, constructing, developing, permitting, financing, implementing, expanding, improving, enlarging, bettering, extending and replacing the District's capital assets, as defined by generally accepted accounting principles applicable to Texas governmental entities.

2. **Operation and Maintenance Expenses.** The term "Operation and Maintenance Expenses," means all costs and expenses of operation and maintenance of the District's assets, including, for greater certainty but without limiting the generality of the foregoing, repairs, operating and management personnel, the cost of utilities, the amounts required to pay the City of Corpus Christi required by the Corpus Christi Raw Water Contract and the Corpus Christi Treated Water Contract for the purchase of water, amounts required to pay for the use or operation of any property or facilities, the costs of supervision, engineering, accounting, auditing, legal services, insurance premiums, supplies, services, administration of the system, administrative and planning expenses, equipment necessary for proper operation and maintenance of the system, and payments made by the District in satisfaction of judgments arising in connection with the District's assets, and a reasonable operating and maintenance reserve. The term does not include depreciation expense.

**7.03 District Budget.** The District's fiscal year shall be from January 1 through December 31 of each year, or such other period as the District, after sixty (60) days written notice to City, shall adopt. Not later than the sixtieth (60th) day before the beginning of the District's next fiscal year, commencing with the District's fiscal year in which this Contract becomes effective, the District shall provide City with a copy of the District's proposed budget for the following fiscal year, showing the budgeted total annual rate, and the components thereof, to be paid by City to the District for the fiscal year of the District to which the budget applies for sale and purchase of Water under this Contract. City shall have thirty (30) days to review and comment on the proposed budget. The District shall adopt its final budget as soon as practicable following the expiration of such thirty (30) day period and shall deliver to City a copy of each final budget within five (5) days after the adoption thereof.

7.04 Rate Adjustment. During any fiscal year the rate charged to City may be redetermined, after consultation with the City, to the extent deemed necessary or advisable by the District, if:

- i) The District commences supplying water to new customers;
- ii) Unusual, extraordinary, or unexpected expenditures for Operation and Maintenance Expenses are required which are not provided for in the District's current budget;
- iii) Operation and Maintenance Expenses are at least 10% greater than estimated, or at least 10% less than estimated; or
- iv) The District issues Bonds which require an increase in the debt service component of the rate.

7.05 Payment. The annual rate to be paid by City to the District in each District fiscal year for Water sold to and purchased by City shall be the rate determined by the District's final budget for such District fiscal year. Such annual rate shall be, expressed as the price per 1,000 gallons of water delivered by the District to City, based on the estimated volume of Water to delivered to City in that year, and shall be payable based on the actual volume of Water delivered to City monthly. The District shall bill City pursuant to Section 6 of the Contract.

7.06 Charges During First Fiscal Year. The charges to City for the cost of Water delivered during the first fiscal year in which City receives Water from the Project shall be estimated by the District, using the best available information. City shall have sixty (60) days in which to review and comment on the estimated charges before those charges go into effect."

9. REPLACEMENT OF SECTION 8. OF CONTRACT

Section 8. of the Contract, entitled "FORCE MAJEURE" is hereby replaced in its entirety as follows:

"8. **FORCE MAJEURE**. If the District should be prevented, wholly or in part, from furnishing water to the City under this contract by reason of acts of God, unavoidable accident, acts of the public enemy, strikes, floods, fires, governmental restraint or regulations, breaks in the District pipe lines, or for any other cause, beyond the District's control, then the obligation of the District to deliver water to the City shall be temporarily suspended during the continuance of such force majeure.

The rights of the City to obtain delivery of water from the District shall also be subject to all rights of the City of Corpus Christi with respect to the furnishing of water by said City of Corpus Christi to the District under the conditions of the District's contracts with the City of Corpus Christi. Reference is here made to each of said contracts, the terms of which are familiar to both of the parties hereto.

No damage shall be recoverable from the District by reason of the temporary suspension of delivery of water due to any of the causes above mentioned or due to the failure of the City of Corpus Christi to deliver water to the District. If the District's ability to deliver water to the City is affected by any of the causes above mentioned, the District shall promptly notify the City in writing, giving the particulars as soon as practicable after the occurrence of the cause or causes for such interruption

If the supply of water available to District is insufficient for any reason to serve the requirements of all of its customers, then the available amount of water will be allocated by the District so as to meet the requirements of its various customers in accordance with their respective needs."

10. Section 9. of the Contract, entitled "ALTERATIONS AND REPAIRS," is unchanged.

11. REPLACEMENT OF SECTION 10. OF CONTRACT

Section 10. of the Contract, entitled "TERM" is hereby replaced in its entirety as follows:

"10. TERM. Unless sooner terminated or extended by mutual agreement of the parties hereto, this contract shall be in force and effect for a term of thirty (30) years from the effective date of this Second Amendment."

12. Section 11. of the Contract, entitled "EFFECTIVE DATE," is unchanged.

13. Section 12. of the Contract, entitled "MODIFICATION," is unchanged.

14. The following new Section is added to the Contract:

"13. CORPUS CHRISTI CONTRACT. The parties hereto specifically acknowledge that this Contract is subject to all of the terms and conditions of the Corpus Christi Raw Water Contract and the Corpus Christi Treated Water Contract, and District's obligations hereunder are limited to its rights under such contracts. A copy of the provisions of those contracts dealing with water conservation and drought contingency measures is attached hereto as Exhibit "A." Pursuant to the requirements of Exhibit "A" City agrees that:

(1) It will develop and have in effect a water conservation and drought management plan consistent with the City of Corpus Christi plan, and

(2) Delivery of water by the District to the City shall be subject to the District's water conservation and drought management plan, as that plan may be amended from time to time.

15. EFFECTIVE DATE. The effective date of this Second Amendment is August 15, 1998.

16. ENTIRETY. This Contract supersedes all previous agreements or representations, either written or verbal, heretofore in effect between the District and City, made with respect to matters herein contained."

17. EFFECT OF AMENDMENT. As hereby amended, the Contact shall continue in full force and effect pursuant to its terms.

18. IN WITNESS WHEREOF. The parties hereto have caused this document to be executed by their duly authorized representatives to be effective as of the date first shown.

SAN PATRICIO MUNICIPAL WATER DISTRICT

By: \_\_\_\_\_

President

ATTEST:

Rebecca Khumrou  
Secretary

[SEAL]



THE CITY OF PORTLAND, TEXAS

By: A. R. Mason  
Mayor

ATTEST:

Chiah Meyer  
Secretary

[SEAL]

## **EXHIBIT**

**EXHIBIT A - Conservation and Drought Management Provisions of Corpus Christi Contracts.**