

AMENDMENT TO
WATER SERVICE AREA TRANSFER AGREEMENT

BETWEEN

CITY OF SEGUIN, TEXAS

AND

SPRINGS HILL WATER SUPPLY CORPORATION

AMENDMENT TO WATER SERVICE AREA TRANSFER AGREEMENT

This Amendment to Water Service Area Transfer Agreement (“Amendment”) is made and entered into by and between Springs Hill Water Supply Corporation (hereinafter called “Springs Hill”), a Texas non-profit water supply corporation located in Guadalupe County, Texas, and the City of Seguin, Texas (hereinafter called “Seguin”), a home rule city, body politic of the State of Texas, and is effective on the Amendment Effective Date, as defined below.

RECITALS

WHEREAS, Seguin and Springs Hill are parties to a Water Service Area Transfer Agreement executed on October 25, 2022 (the “Agreement”), contemplating the sale and transfer of an approximately 9,477-acre portion of Springs Hill’s water Certificate of Convenience and Necessity (“CCN”) No. 10666 and Transfer Infrastructure, as defined in the Agreement, to Seguin’s water CCN No. 10698;

WHEREAS, the 9,477 acres to be transferred is comprised of the CCN Transfer Area and the Active CCN Transfer Area, as defined in the Agreement;

WHEREAS, portions of Springs Hill’s water CCN No. 10666 have been decertified by landowners under Texas Water Code § 13.2541 since the Agreement was executed;

WHEREAS, Seguin and Springs Hill desire to amend the Agreement to revise the CCN Transfer Area, Active CCN Transfer Area, and total acreage to be transferred to reflect the decertifications, clarify the City’s authority to serve the area around Link Road, and authorize non-substantive mapping changes.

NOW THEREFORE, in consideration of the foregoing and the mutual agreements hereinafter set forth, and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the Parties agree as follows:

AMENDMENT

1. Amended Provisions. The Agreement is hereby amended to replace the following sections in their entirety with the following:

Paragraph Three of the Recitals.

“**WHEREAS**, Springs Hill desires to sell and transfer an approximately 9,223-acre portion of the Springs Hill Water CCN Service Area to the Seguin Water CCN Service Area, and more specifically depicted in **Exhibit A**, consisting of (i) the CCN Transfer Area and (ii) the Active CCN Transfer Area (such capitalized terms are defined below), in accordance with the terms and conditions of this Agreement, as defined below;”

Section 1.1(a).

“(a) “Active CCN Transfer Area” means the approximately 6,343-acre portion of the Springs Hill Water CCN area where members of Springs Hill have active retail water service connections, and more specifically depicted in **Exhibit A-1**, that is sought to be transferred to the Seguin Water CCN under applicable TWC statutes and PUC rules.”

Section 1.1(h).

“(h) “CCN Transfer Area” means the approximately 2,880-acre portion of the Springs Hill Water CCN area where Springs Hill currently does not have any members, more specifically depicted in **Exhibit A-2**, that is sought to be transferred to the Seguin Water CCN under applicable TWC statutes and PUC Rules.”

Section 3.3(a).

“(a) With the exception of a tract of land that either (1) has been removed from Springs Hill Water CCN by order of the PUC under TWC Chapter 13 on or before the Effective

Date or (2) is the subject of an application that has been filed at the PUC to opt out of the Springs Hill Water CCN as of the Effective Date and proceeds to final order thereon, Seguin agrees that, for three (3) years following the Effective Date of this Agreement, it will not provide retail water service to any tract of land that is removed or decertified from the Springs Hill Water CCN service area under a TWC Chapter 13 proceeding, unless Springs Hill, by actions in light of its Tariff, cannot serve the entity or Springs Hill provides the City with written notice that the City may add that area to its water CCN service area. Notwithstanding the foregoing, Seguin may provide retail water service to a tract of land that is removed or decertified from the Springs Hill Water CCN service area under a TWC Chapter 13 proceeding if such tract abuts Link Road, as more specifically depicted in **Exhibit A-3**.

2. **Amended Exhibits**. The Agreement is hereby amended to replace **Exhibit A** with the **Exhibit A** attached hereto and add the **Exhibit A-1**, **Exhibit A-2**, and **Exhibit A-3** attached hereto, and such exhibits are incorporated herein for all purposes.

3. **Provision for Non-Substantive Mapping Changes**. The Agreement is hereby amended to add the following Section 7.12.

“**7.12 Non-Substantive Mapping Changes**. Seguin and Springs Hill agree that non-substantive mapping changes may be made to the boundaries shown on **Exhibit A**, **Exhibit A-1**, and **Exhibit A-2** to effectuate the purposes of this Agreement, subject to the written approval of Seguin’s City Manager and Springs Hill’s General Manager.”

4. Conflicts. Except as set forth in this Amendment, the Agreement is unaffected and shall continue in full force and effect in accordance with its terms. If there is a conflict between this Amendment and the Agreement, the terms of this Amendment will prevail.
5. Defined Terms. Except as set forth in this Amendment, the defined terms in the Agreement shall have the same meaning in the Agreement.
6. Authority and Representation. Each Party executing this Amendment warrants and represents that the individual executing this Amendment on its behalf has the authority and power to execute this Amendment for the entity on behalf of which he or she executes this Amendment.
7. Severability. In case any one or more Sections, provisions, clauses or words of this Amendment shall for any reason be held to be invalid, unenforceable, or unconstitutional, such invalidity, unenforceability, or unconstitutionality shall not affect any other Sections, provisions, clauses, or words of this Amendment, and it is intended that this Amendment shall be severable and shall be construed and applied as if such invalid, unenforceable, or unconstitutional Section, provision, clause, or word had not been included herein.
8. Waiver. Any failure by a Party hereto to insist, or any election by a Party hereto not to insist, upon strict performance by another Party of any of the terms, provisions, or conditions of this Amendment shall not be deemed to be a waiver thereof or of any other term, provision, or condition hereof, and such Party shall have the right at any time or times thereafter to insist upon strict performance of any and all of the terms, provisions, and conditions hereof.

9. Governing Law and Venue. The Constitution and the laws of the State of Texas and the decisions of its courts shall govern with respect to any question or controversy that may arise hereunder. All amounts due under this Amendment shall be paid and due in Guadalupe County, Texas, which is the county in which the principal administrative offices of Seguin and Springs Hill are located. It is specifically agreed that Guadalupe County, Texas, is a principal place of performance of this Amendment. Venue for any actions arising under this Amendment shall lie exclusively in the courts of Guadalupe County, Texas.
10. Cooperative Drafting. This Amendment is the product of a cooperative drafting effort by the Parties and shall not be construed or interpreted against either Party solely on the basis that one Party or its attorney drafted this Agreement or any portion of it.
11. Counterparts. This Amendment may be executed in counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.
12. Amendment Effective Date. “Amendment Effective Date” means the last date of execution of this Amendment by all Parties.

[Signature pages follow immediately]

IN WITNESS WHEREOF, the parties have executed this Agreement as indicated below.

SPRINGS HILL

SEGUIN

By: _____
James Martin, President

By: _____
Steve Parker, City Manager

Date: _____

Date: _____

ATTEST:

ATTEST:

By: _____
Bernie Mueller, Secretary

By: _____
Naomi Manski, City Secretary

Date: _____

Date: _____

EXHIBIT “A”

TOTAL CCN AREA TO BE TRANSFERRED

EXHIBIT “A-1”

ACTIVE CCN TRANSFER AREA

EXHIBIT “A-2”

CCN TRANSFER AREA

EXHIBIT “A-3”

LINK ROAD AREA