



## ECONOMIC DEVELOPMENT CORPORATION

**To:** Donna Dodgen, Mayor  
Seguin City Council

**CC:** Steve Parker, City Manager  
Mark Kennedy, City Attorney

**From:** Alora Wachholz  
Director of Economic Development | SEDC Executive Director

**Date:** 07-07-2026

**Subject:** Resolution Authorizing City Manager to execute a Mutual Termination Agreement for an existing Performance Agreement between the Seguin EDC and Premium Waters, Inc.

---

### Overview

On April 19, 2023, the SEDC entered into a Performance Agreement with Premium Waters, Inc. for a new, 225,000 - 300,000 square foot facility they hoped to build in Seguin. The terms of the agreement included the following conditions:

Premium Waters is obligated to:

- Make a new capital investment of at least \$25 million for the construction of their facility in Seguin and invest a minimum of \$55 million in machinery and equipment costs, resulting in an overall minimum capital investment of \$80 million.
- Commence construction of the Seguin facility by December 31, 2023.
- Obtain a Certificate of Occupancy and begin operations by December 31, 2024.
- Complete the total minimum capital investment on or before December 31, 2025.
- Create a total of 60 new full-time jobs with a total minimum annual payroll of at least \$3,600,000 in the following manner:
  - o Employ at least 40 full-time employees with a total minimum annual payroll of \$2,400,000 by December 31, 2025.
  - o While retaining the initial 40 employees, create and fill an additional 20 new full-time workers, bringing the total number of new full-time jobs to 60 on-site and increasing the total annual minimum payroll to \$3,600,000.

The SEDC is obligated to:

- Provide a performance-based cash grant payment totaling \$150,000 in the following manner:
  - o Distribute \$100,000 upon company's completion of the creation of 40 new full-time jobs with a total annual minimum payroll of \$2,400,000.
  - o Distribute \$50,000 upon company's completion of the creation of the total 60 new full-time jobs with a total annual minimum payroll of \$3,600,000.

In early 2026, SEDC staff sent an Annual Compliance Form to Premium Waters for the 2025 calendar year, which asked the company to verify that they had met the terms required by December 31, 2025, to include:

1. Complete a total minimum capital investment value in the Seguin facility of \$80 million; and
2. Employ at least 40 new full-time workers at the Seguin facility with a total annual minimum payroll of \$2,400,000.

At this time, it was discovered that Premium Waters had been unable to meet either of the outlined terms and would not be able to meet the terms within any reasonable future timeline. Upon discussing with the company and their legal representatives over the course of months whether or not there was a way for Premium Waters to come into compliance, or if they could provide justification for why they were unable to meet the agreed upon terms of the Performance Agreement, it was decided that the best course of action would be a Mutual Termination Agreement which would remove all obligations from both parties as contained within the existing Performance Agreement.

Premium Waters does hope to expand operations in the future and will very likely need additional staffing at that time; however, in an effort to maintain full transparency and prevent any lingering obligations resulting from their original Performance Agreement, a Mutual Termination is the most beneficial option at this time.

### **Fiscal Impact**

None

### **Staff Recommendation**

Staff recommends approval of a Resolution authorizing the City Manager to execute a Mutual Termination Agreement for an existing Performance Agreement between the Seguin EDC and Premium Waters, Inc.

### **Attachments**

1. Resolution Authorizing City Manager to execute a Mutual Termination Agreement for an existing Performance Agreement between the Seguin EDC and Premium Waters, Inc.
2. Mutual Termination Agreement for an existing Performance Agreement between the Seguin EDC and Premium Waters, Inc.
3. EXECUTED SEDC Resolution 2026-07: Authorizing execution of a Mutual Termination Agreement for an existing Performance Agreement between the Seguin EDC and Premium Waters, Inc.
  - a. Exhibit A: Mutual Termination Agreement for an existing Performance Agreement between the Seguin EDC and Premium Waters, Inc.
4. EXECUTED City Council Resolution 2023R-075, authorizing Performance Agreement between SEDC and Premium Waters
5. Original Performance Agreement between the SEDC and Premium Waters