

AGREEMENT FOR THE SALE OF TREATED EMERGENCY WATER

This Agreement ("Agreement") is entered into by and between **Kempner Water Supply Corporation ("KWSC")** and the **Bell County Water Control & Improvement District No. 1 ("WCID")**. The purpose of this Agreement is to set forth the terms under which the parties will deliver and sell emergency water to one another.

WHEREAS, the parties desire to have a supply of emergency water to assure, as best as possible, availability of water to their customers and citizens; and

WHEREAS, KWSC and WCID have independently contracted with the Brazos River Authority ("BRA") to reserve raw water in Stillhouse Hollow Reservoir ("Stillhouse") in order to have water supply.

WHEREAS, KWSC desires to contract with WCID to divert, treat, and deliver water to KWSC which KWSC has under contract with the BRA to benefit KWSC member customers.

NOW, THEREFORE, KWSC and the WCID agree as follows:

Section 1. Definitions. In this Agreement, the following definitions shall apply:

(A) "Purchaser" means the party to this Agreement that is purchasing emergency water from the other party.

(B) "Supplier" means the party under this Agreement that is supplying emergency water to the other party.

(C) "Delivery", "Delivery Point" means the point at which the Supplier agrees to deliver, and the Purchaser agrees to receive treated drinking water pursuant to the terms of this Agreement. For purposes of this Agreement, the Delivery Point shall be the Mag Meter at the point of connection between the KWSC system and the WCID system between the parties Water Treatment Plants.

(D) "Emergency Water Supply" means a temporary supply of treated drinking water required by the Purchaser due to some event outside of the control of the Purchaser.

(E) "Meter" means the Mag Meter at the point of connection between the KWSC system and the WCID system at the KWSC Water Treatment Plant. The Meter shall measure the amount of Emergency Water provided by Supplier to the Purchaser.

(F) "Treated Water" means treated, potable water meeting the minimum quality requirements for human consumption as proscribed by the Texas Commission on Environmental Quality or other appropriate regulatory agency.

Section 2. Agreement to sell Emergency Water Treatment. Subject to the conditions set forth herein, the Supplier, agrees to deliver Emergency Water to the Purchaser, at the Delivery Point. Supplier shall own and be responsible for the Emergency Water Supply up to the Delivery Point. After the Emergency Water has passed through the Delivery Point, the same shall become the property and responsibility of the Purchaser. Supplier shall deliver a maximum of two million (2,000,000) gallons a day of Emergency Treatment of Water pursuant to this Agreement. The supplier will deliver the water through a suitable size pipe at a maximum instantaneous flow of 6,000 gallons per minute between 7am to 3:30pm every day. Planned maintenance requiring a diminished flow shall be communicated to the Kempner Operator 48 hours in advance of the reduced flow. The Purchaser may obtain Emergency Water from the start date until October 22, 2024 provided the Purchaser provides updates twice per month on strategic steps taken to mitigate the situation at Kempner water plant and supply conditions improve in which emergency supply is no longer necessary. In order to extend the provision of Emergency water Treatment beyond this time period, the consent of the WCID and KWSC's Board is required.

Section 3. Water rate. The cost of treating water supplied under this Agreement shall be two dollars (\$2.63 per one thousand (1,000) gallons of treated water.

Section 4. Maintenance of necessary waterline and facilities. KWSC, at its expense, will maintain as necessary all waterlines from the nearest point of the Purchaser's system to the Delivery Point.

Section 5. Metering, billing and payment. The Supplier shall read the Meter monthly and prepare and deliver to Purchaser a bill for said month. Purchaser shall pay said bill within twenty (20) days of receipt. If any bill remains unpaid for the expiration of thirty (30) days past the due date, the Purchaser shall be deemed to be in default under this Agreement and the Supplier may terminate the Emergency Water Supply of water to the Purchaser.

Purchaser shall maintain at its own expense at said delivery point the necessary equipment and devices of standard type of measuring property the quantity of water delivered under this agreement. Such meter or meters and other equipment so installed shall remain the property of Supplier. Purchaser shall have access to such metering equipment at all reasonable times, but the reading, calibration and adjustment thereof shall be done only by the employees of agents of Supplier. For the purpose of this agreement the original record or reading of the meter or meters shall be the journal or other record book of Supplier in its office in which the records of the employees or agents of Supplier who take the reading are or may be transcribed. Upon written request of Purchaser, Supplier will give Purchaser a copy of such journal or record book or permit Purchaser to have access to the same in the office of Supplier during reasonable business hours.

Not more than once in each calendar year, on a date as near the end of such calendar year as practical, Supplier shall calibrate its meters if requested in writing by Purchaser to do so, in the presence of a representative of Purchaser, and the parties shall jointly observe any adjustments which are made to the meters in case any adjustments shall be necessary, and if the check meters hereinafter provided for have been installed, the same shall also be calibrated by Purchaser in the presence of a representative of Supplier and the parties shall jointly observe any adjustment in case any adjustment is necessary. If Purchaser shall in writing request Supplier to calibrate its meters and Supplier shall give Purchaser notice of the time when any such calibration is to be made and a representative of Purchaser is not present at the time set, Supplier may proceed with calibration and adjustment in the absence of any representative of Purchaser.

If either party at any time observes a variation between the delivery meter or meters and the check meter or meters, if any such check meter or meters shall be installed, such party will promptly notify the other party, and the parties hereto shall then cooperate to procure an immediate calibration test and joint observation of any adjustment and the said meter or meters shall then be adjusted to accuracy. Each party shall give the other party forty-eight (48) hours notice of the time of all tests of meters so that the other party may conveniently have a representative present.

If upon any test, the percentage of inaccuracy of any metering equipment is found to be in excess of two percent (2%) 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 of the time elapsed since the last date of calibration, but in no event further back than a period of six (6) months. If for any reason any meters are out of service or out of repair so that the amount of water delivered cannot be ascertained or computed for the reading thereof, the water delivered through the period such meters are 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. For such purposes, the best data available shall be deemed to be the registration of any check meter or meters if the same have been installed and are accurately registering. Otherwise the amount of water delivered during such period may be estimated (i) by correcting the error if the percentage of the error is ascertainable by calibration tests of mathematical calculation, or (ii) estimating the quantity of delivery by deliveries during the preceding periods under similar conditions when the meter or meters were registering accurately.

Purchaser may, at its option and its own expense, install and operate a check meter to check each meter but the measurement of water for the purposes of this agreement shall be solely by Supplier meters, except in the cases hereinabove specifically provided to the contrary. All such check meters shall be of standard make and shall be subject at all reasonable times to inspection and examination by

any employee or agent of Supplier, but the reading, calibration and adjustment thereof shall be made only by Purchaser, except during any period when a check meter may be used under the provisions hereof for measuring, calibration and adjustment thereof shall be made by Supplier with like effects as if such check meter or meters had been furnished or installed by Supplier.

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

If Purchaser has a protest or dispute concerning a bill, Purchaser shall notify Supplier in writing within ten (10) days of receipt of the bill. Upon written notification, the portion of the bill under dispute, if made in good faith, will be set aside until resolved by mutual effort of the parties. In the event the parties cannot mutually resolve a dispute regarding a billing question, the parties will agree to a mediator and submit the matter to mediation.

Section 6. Operation and Maintenance. The Supplier shall be responsible for operating and maintaining in good working order the Supplier's water treatment and delivery system. All costs incurred in connection therewith shall be the cost of the Supplier. Purchaser shall be responsible for assuring its ability to receive Emergency Water supply at the Delivery Point. Purchaser shall be responsible for paying for all Emergency Water metered at the Delivery Point.

Section 7. Permits. Each party shall actively support and assist the other obtaining any permit or approval from governmental agencies that may be required in connection with the performance of this Agreement.

Section 8. General Provisions.

A. The Supplier shall use all reasonable efforts to commence making Emergency Water available to the Purchaser, when the Purchaser certifies that all connections are complete and operational for water supply purposes.

B. Force Majeure. If, by reason of force majeure, any party hereto shall be unable, wholly or in part to carry out its obligations under this Agreement, other than the obligation of KWSC to make payments required under this Agreement, then if such party shall give notice in writing to the other party of the particulars of such force majeure event or cause. Upon giving such notice, the obligation of the party giving the notice, so far as it is affected by such force majeure, shall be suspended during the continuance of the inability then claimed and such party shall endeavor to remove or overcome such inability with all reasonable dispatch. The term force majeure as used herein shall mean a cause beyond the reasonable control of the party claiming the force majeure and shall include but not be limited to natural disasters, strikes, lockouts, industrial disturbances, acts of an enemy, acts of any civil or military authority, insurrections, riots, epidemics, pandemics, lightening, fires, hurricanes, storms, floods, washouts, droughts, arrests, restraint of government, civil disturbances, judicial acts, acts of governmental agencies, explosions, breakage of

water delivery facilities or supply chain disruptions.

C. Ownership and Liability. No provision of this Agreement shall be construed to create an ownership interest by either party in the water system or property of the other. No provision of this Agreement shall be construed to create a partnership or joint venture between the parties.

D. The Supplier's sole responsibility is to provide to the Purchaser at the Delivery Point an Emergency Water Supply pursuant to this Agreement.

E. Rationing. In the event that Supplier determines that implementation of drought contingency plans is necessary, Supplier reserves the right to restrict wholesale customers in the same manner as retail customers. In response to notice by Supplier of implementation of water conservation measures, Purchaser agrees to implement a drought contingency plan consistent with Tex. Admin. Code, Title 30, § 288.22 with regard to customers to be served and water furnished under this Agreement.

F. Indemnity. Each party agrees to indemnify and hold harmless the other of and from any and all claims, losses, damages, causes of action, suits or liability of every kind, including expenses of litigation, court costs and attorney's fees, for injury to or death of any person, or for damage to any property, arising out of or relating to the performance of this Agreement by either party, except where such are caused by the claimant's own negligence.

G. Assignment. This Agreement is not assignable by either party without the express written consent of the other.

H. Governing Law. This Agreement shall be governed by the law of the State of Texas and is performable in Bell County, Texas.

I. Entire Agreement. This Agreement constitutes the entire agreement between the parties relative to the subject matter hereof. There are no oral or written agreements, representations, or warranties between the parties other than those expressly stated herein.

J. Notice. Any notice, communication, request, reply or advice herein provided or permitted to be given, made or accepted by either party, must be in writing and may be given by the United States mail by registered or certified mail, addressed to the party to be notified with a return receipt requested, by hand delivery or by overnight delivery through a recognized service such as Federal Express or UPS. For purposes of notice, the contact for each of the entities, and contact information is as follows:

If to Kempner Water Supply Corporation:

Bruce Sorenson
Kempner Water Supply

Corporation 11986 E Highway 190
Kempner, Texas 76539
Telephone: (512) 932-
3701
Email: Bruce.sorenson@kempnerwsc.com

If to the Bell County Water Control & Improvement
District No. 1

Bell County Water Control &
Improvement District No. 1
Attention: [Richard Garrett](mailto:Richard.Garrett@wcid1.org)

Telephone: (254) 501-9243
Email: r.garrett@wcid1.org

IN WITNESS WHEREOF, the parties hereto acting under the authority of their respective governing bodies, have caused this Agreement to be duly executed in several counterparts, each of which shall constitute an original as of this the July 24, 2024.

Kempner Water Supply Corporation

By: Bruce A Sorenson
Print Name: Bruce A Sorenson
Title: GM

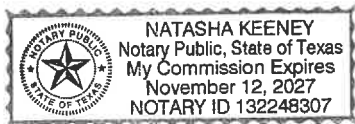
ATTEST
:

Secretary

Bell County Water Control & Improvement District No. 1

By: Richard Law

ATTEST
:
Print
Name
:



Natasha Keeney

Title:
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Secretary