

**ORDINANCE NO. 18-01-002
AMENDED**

AN ORDINANCE OF THE CITY OF CAMPBELL, HUNT COUNTY, TEXAS, GRANTING TO CAMPBELL WATER SUPPLY CORPORATION, ITS SUCCESSORS AND ASSIGNS, A NONEXCLUSIVE FRANCHISE TO USE THE PUBLIC RIGHT-OF-WAY OF THE CITY OF CAMPBELL, TEXAS, FOR THE PURPOSES OF CONSTRUCTING, INSTALLING, LAYING, MAINTAINING, PROTECTING, OPERATING, AND REPLACING PIPELINES AND EQUIPMENT IN THE CITY OF CAMPBELL, TEXAS, FOR THE TRANSPORTATION, DISTRIBUTION, DELIVERY, AND SALE OF WATER IN, OUT OF, AND THROUGH SAID CITY FOR ALL PURPOSES AND PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE.

WHEREAS, the City of Campbell (the "City") is a Type A Texas municipal corporation that does not operate a municipal water system:

WHEREAS, the Campbell Water Supply Corporation (the "Corporation") is a Texas non profit water supply corporation operating pursuant to Chapters 67 and 13 of the Texas Water Code and pursuant to Certificate of Convenience and Necessity No. 10810 issued by the Texas Commission on Environmental Quality or its predecessor;

WHEREAS, the Corporation has been operating a water distribution system within and around the City for many years for the benefit of its members, many of whom reside within the corporate limits of the City; and

WHEREAS, the City Council of the City finds that it is to the mutual advantage of both the City and the Corporation to enter into a franchise agreement to establish the conditions under which the Corporation may use the streets, easements or rights-of-way within the City that the City owns and maintains.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CAMPBELL, TEXAS.

SECTION 1. To the extent necessary and authorized by law, the City hereby grants to Corporation, its successors and assigns, nonexclusive permission to use and occupy the present and Future Public Rights-of-Way which are owned or possessed and maintained by the City for the purpose of constructing, installing, laying, maintaining, protecting, operating, and replacing the Corporation's pipelines and equipment to deliver, transport and distribute water in, out of, and through said City during the term of this Ordinance, said consent being granted for a term of ten (10) years from and after the effective date of this Ordinance, and continuing thereafter on a month to month basis until such time as the parties have entered into a new franchise agreement.

SECTION 2. For purposes of this Ordinance, "Public Right-of-Way" means the area of land within the City that is acquired by, dedicated to, or claimed by the City in fee simple, by easement or by prescriptive right, and that is expressly or impliedly accepted or used in fact or by operation of law as a public roadway, highway, street, sidewalk, alley, or utility access easement. The term includes the area below the surface of the Public Right-of-Way. The term applies regardless of whether the Public Right-of-Way is paved or unpaved. Without regard to this definition of Public Right of Way, the City shall have the right to enforce its Ordinance requiring, whenever possible, that newly installed water lines be installed in areas not directly below the traveled surface of any street or alley and may condition the granting of any permit to proceed with construction upon compliance with same.

SECTION 3. Any construction of new facilities within the City by or for the Corporation will require a City permit and will conform to the enforceable and applicable standards of the City which will not exceed the standards adopted by the North Central Council of Governments for public water works. All facilities installed by the Corporation shall be so located as to cause minimum interference with the proper use of streets, alleys and other public ways and places, and to cause minimum interference with the rights or reasonable convenience of property owners who adjoin any street or public right-of-way. Corporation shall not place its facilities where they will interfere with any existing gas, electric, telephone fixtures or sewer facility.

SECTION 4. At least forty-five (45) days prior to the commencement of any new construction within a Public Right-of-Way, the Corporation will provide the City with a copy of the plans and specification for such new construction for the City's review and comment. The Corporation will make any reasonable changes to the plans and specification that are requested by the City that are based on accepted public water works engineering standards and policies or City ordinance. If the City does not provide the Corporation with written comments within thirty (30) days following deliver of such plans and specifications to the City, then the City will be deemed to have approved such plans and specifications. In designing all new water line installations or replacements, the Corporation shall use its best efforts where possible to place lines in areas other than directly below the traveled surface of City streets and alleys.

SECTION 5. The Corporation agrees that upon completing any excavation for the installation, replacement or repair of water pipelines and equipment, the Corporation will repair the affected Public Right-of-Way to a condition which meets or exceeds the condition of the public right-of-way prior to the installation and complies with City ordinances.

SECTION 6. Within ninety (90) days after completing any new construction within a Public Right-of-Way, the Corporation will provide the City with "as built" drawings showing the alignment and depth of new water pipelines.

SECTION 7. The Corporation agrees to comply with all applicable ordinances of the City. To the extent any regulation of the City conflicts with any permit, rules, or regulations issued or adopted by the State of Texas (including the Texas Department of Transportation and the Texas Commission on Environmental Quality) or the Federal Government, the permit and regulation of the state and federal authorities shall control. The City acknowledges that the Corporation's current water distribution system was not constructed to provide water for the purpose of fire suppression and that the Corporation's water system is not capable of providing "fire flows" as that term is used in various uniform fire codes generally adopted by municipalities. The Corporation recognizes the City has a duty as to provide for public safety and agrees that the City may install hydrants at its expense on Corporation water mains six (6) inches and larger, 160 psi pvc or better after consultation with the Corporation and written approval of the corporation as to location and suitability of mains, method of installation and standards to be used. It is understood that these hydrants will be used for gravity flow replenishment of water to fire equipment for fire suppression. Any damage done to Corporation equipment or mains will be at City expense if caused by fire suppression use.

SECTION 8. This franchise may be terminated by the City for any material violation hereof by the Corporation after written notice to the Corporation of the alleged violation and a reasonable opportunity to cure which will not be less than thirty (30) days following the Corporation's receipt of the City's written notice of default.

SECTION 9. The Corporation acknowledges that by this Ordinance it obtains no rights to or use of the Public Right-of-Way other than those expressly granted herein.

SECTION 10. In the event of injury to any person or damage to any property by reason of the Corporation's construction, installation, maintenance, protection, operation or replacement of its ~~pipelines and/or equipment within the Public Right-of-Way~~, the Corporation shall indemnify and keep harmless the City from any and all liability in connection therewith, except to the extent such injury or damage is attributable to the City's negligent act or omission. In the event of injury to any person or damage to any property by reason of the City's construction, operation, or maintenance of the Public Right-of-Way and facilities of the City within the Public Right-of-Way, the City shall indemnify and keep harmless the Corporation from any and all liability in connection therewith, except to the extent such injury or damage is attributable to the Corporation's negligent act or omission.

SECTION 11. At all times during the term of this franchise, Corporation shall comply with all applicable laws, rules and regulations of the United States of America, the State of Texas, Hunt County and the City of Campbell; including appropriate agencies and subdivisions thereof. Corporation shall construct, operate and maintain its facilities and provide services as follows: Corporation shall provide its customers with good quality water services; and supply potable water to its customers in compliance with all applicable laws, rules and regulations.

SECTION 12. Subject to state and federal law, Corporation agrees to provide forty-eight (48) hour prior notice to the City, Campbell Volunteer Fire Department, and Customers within the City as well as the Campbell Independent School District, if affected, of any planned outages. Notice of unplanned outages will be as soon as possible but prior to any willful interruption of service to the City or Campbell Volunteer Fire Department. Any interruption of service to the Campbell Independent School District will require prior notice to the school superintendent as soon as possible before any interruption. Notice to the City may be written, telephone, left on telephone answering machine or personal contact. At a minimum, notice will contain time outage is to begin, area served, estimate of length of outage time as well as any public right-of-ways to be blocked.

SECTION 13. Corporation will terminate the water service of Corporation's customer for the City in accordance with City wastewater ordinances, schedules, rules and regulations. This service will be provided by the Corporation for a fee of forty dollars (\$40.00) for disconnect and forty dollars (\$40.00) for reconnect. Terminations/disconnects shall be conducted as quickly as practicable, but in any event, by the end of the next business day following the City's written notice to the Corporation of customers to be disconnected. Corporation will provide a monthly invoice for services rendered.

SECTION 14. Corporation shall pay to City, no less than quarterly, a franchise fee calculated as two percent (2.00%) of the gross revenue for water sales only received by the Corporation for meters located within the incorporated limits of the City of Campbell. The franchise fee for each quarter shall be payable on the 45th day following the end of each calendar quarter. The franchise fee due hereunder shall be applied to all water sales within the City of Campbell by the Corporation beginning on June 15th, 2018.

SECTION 15. Corporation agrees to relocate facilities from the public right-of-way to permit the widening or straightening of any street, alley, roadway or thoroughfare, as authorized in Chapter 13 of the Water Code.

SECTION 16. Corporation shall not enter into any binding agreement to sell, assign, dispose of or transfer in any manner whatsoever any interest in this franchise, nor transfer, permit transfer of controlling interest in the Company, without first providing to the City ninety (90) days written notice of Corporation's intent to sell.

SECTION 17. Should any word, sentence, paragraph, subdivision, clause, phrase or section of this Ordinance be adjudged or held to be void or unconstitutional, the same shall not affect the validity

of the remaining portions of this Ordinance, which shall remain in full force and effect.

SECTION 18. All ordinances of the City in conflict with the provisions of this Ordinance be, and the same are hereby, repealed; provided, however, that all other provisions of said ordinances not in conflict with the provisions of this Ordinance shall remain in full force and effect.

SECTION 19. In order to accept this franchise, the Corporation must file with the City Secretary its written acceptance of this Ordinance after its adoption by the City. If written acceptance of this franchise Ordinance is not filed by the Corporation after its adoption by the City, this Ordinance and the franchise granted hereby shall be rendered null and void.


SECTION 20. If the Corporation accepts this Ordinance, by the filing of its written acceptance, this Ordinance shall become effective on the date of this adoption by the City.

SECTION 21. The terms of this franchise fee agreement are subject to state and federal law.

ADOPTED by the Campbell City Council on this the 21st day of May 2018.



Mayor




City Secretary

STATE OF TEXAS §

COUNTY OF HUNT §

I, the undersigned City Secretary of the City of Campbell, Texas, do hereby certify that the above and foregoing is a true and correct copy of the proceedings of the Council of the City of Campbell, Texas, at a regular session held on the 16th day of January 2018, in connection with the passage and adoption of Ordinance No. 18-01-002 Amended the 21st day of May 2018 granting a franchise to Campbell Water Supply Corporation.

WITNESS MY HAND AND SEAL OF SAID CITY, this the 21st day of May, 2018.



City Secretary



ACCEPTANCE

WHEREAS, the City of Campbell, Texas, did on the 21st day of June, enact Ordinance No. 15-01-02 Amended entitled:

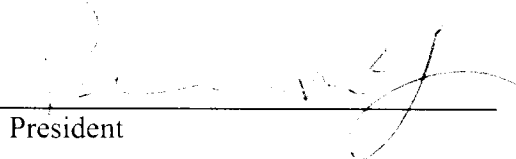
AN ORDINANCE OF THE CITY OF CAMPBELL, HUNT COUNTY, TEXAS, GRANTING TO CAMPBELL WATER SUPPLY CORPORATION, ITS SUCCESSORS AND ASSIGNS, A NONEXCLUSIVE FRANCHISE TO USE THE PUBLIC RIGHT-OF-WAY OF THE CITY OF CAMPBELL, TEXAS, FOR THE PURPOSES OF CONSTRUCTING, INSTALLING, LAYING, MAINTAINING, PROTECTING, OPERATING, AND REPLACING PIPELINES AND EQUIPMENT IN THE CITY OF CAMPBELL, TEXAS, FOR THE TRANSPORTATION, DISTRIBUTION, DELIVERY, AND SALE OF WATER IN, OUT OF, AND THROUGH SAID CITY FOR ALL PURPOSES; AND PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE.

WHEREAS, said Ordinance was on the 21st day of June, duly approved by the Mayor and City Council of said City and the seal of said City was thereto affixed and attested by the City Secretary.

NOW THEREFORE, in compliance with the terms of said Ordinance as enacted, approved and attested, Campbell Water Supply Corporation hereby accepts said Ordinance and files this its written acceptance with the City Secretary of the City of Campbell, Texas, and pursuant to the terms of said Ordinance and this Acceptance, said Ordinance shall become effective on the 1st day of July.

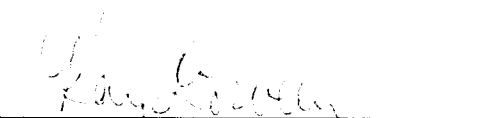
DATED this 19 day of June, 2018.

CAMPBELL WATER SUPPLY CORPORATION



President

ACCEPTANCE filed in the office of the City Secretary of the City of Campbell, Texas as of this 26th day of June, 2018.



Kay Lowery, City Secretary
City of Campbell, Texas