

204 North Cedar Street
Tallulah, Louisiana 71282
Telephone (318) 574-0964
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www.cityoftallulah.org



Office of the Mayor

City of Tallulah
Regular Council Meeting Agenda
Wednesday, June 25, 2025
5:30 P.M., City Hall

Charles M. Finlayson
Mayor
Joseph Scott
District 1
Lisa Houston
District 2
Carla Turner-Harris
District 3
Marjorie Day
District 4
Toriano Wells
District 5

1. Call to Order
2. Pledge of Allegiance & Prayer
3. Roll-Call
4. Public Comments on the Agenda
5. Approve Minutes of the June 12, 2025 Regular Meeting
6. Presentation by Anthony Rollins and Robert Coleman for Potential Purchase of City of Tallulah Coca Cola Building
7. Approve Resolution Adopting July 2025 as Fair Housing Month in the City of Tallulah
8. Approve A Contract With Magnolia Water Service UOC For Sharing of Customer Information
9. Approve A Contract With Magnolia Water Service UOC For The Sharing of Information and Disconnection/Reconnection of Service
10. Set Special Meeting Date To Introduce Ordinance to Amend FY 23/24 Budget and Ordinance to Introduce Adoption of FY 25/26 Budgets
11. Public Comments
12. Adjourn

Special Accommodations

Any person needing reasonable accommodations to attend a public meeting held by the Tallulah City Council should contact Gerald Odom at 318-574-0964 three (3) days prior to the meeting date. If further information is needed, please contact Mr. Odom at the number listed above.

"This Institution is an Equal Opportunity Employer/Provider"

Regular Council Meeting
City of Tallulah
June 12, 2025

A regular meeting of the Mayor and City Council was held on Thursday, June 12, 2025, at 5:30 P.M., in the Council Room Chamber of Tallulah City Hall

Mayor Charles M. Finlayson called the meeting to order, led the Pledge of Allegiance, and prayer was given by Councilmember Toriana Wells.

A roll call from Council Members is shown as follows:

Scott	Present
Houston	Present
Harris	Present
Day	Present
Wells	Present

Councilmember Wells spoke of the need to limit the time as well as which group is to be affected concerning a city-wide curfew. Should it pertain to the youth or adults, and should there be a time factor involved such as 30 days? These are the questions he would like to stipulate in his amendment to the City's curfew.

Councilmember Wells also made comments concerning the lack of an audit of Madison Pointe, stating one should be performed immedia and made motion to that effect which was seconded by Councilmember Houston and carried unanimously.

Motion and second to approve minutes of the May 22, 2025 meeting were made by Councilmember Day, seconded by Councilmember Harris, and carried unanimously.

Ms. Xiomara Bell made a presentation explaining the goals of "Build an Ally, Build the Vision, Build Tallulah with the Madison Advisory Coalition" in which she explained the goals set forth by the organization and how they would be met.

Councilmember Scott moved that the regular meeting date of Thursday, June 26, 2025, be moved to Wednesday, June 25 due to the Mayors of LMA District C meeting to be held on June 26th. Seconding the motion for the date change was Councilmember Day, and motion carried unanimously.

Councilmember Day requested approval of an Ordinance to Amend the Current Budget for the City of Tallulah for the Fiscal Year Beginning July 1, 2024, and Ending June 30, 2025. Councilmember Houston seconded, and a roll call is shown below:

Scott	Yea
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Houston	Yea
Harris	Yea
Day	Yea
Wells	Nay

Motion carried.

Councilmember Houston moved for approval of an Ordinance to Adopt the Budgets for the City of Tallulah for the Fiscal Year Beginning July 1, 2025, and Ending June 30, 2026. Councilmember Scott seconded, and the resulting roll call is listed as follows:

Scott	Yea
Houston	Yea
Harris	Nay
Day	Yea
Wells	Nay

Motion carried.

Councilmember Houston moved for approval of a contract between the City of Tallulah and Magnolia Water Utility Operating Company, LLC. Councilmember Scott seconded the motion, and a roll call vote is listed as follows:

Scott	Yea
Houston	Yea
Harris	Nay
Day	Nay
Wells	Nay

Motion did not carry.

City Attorney Pamela-Netterfield Grady read out the user provisions of the contract between the City of Tallulah and Magnolia Water for a clearer understanding by the public. Mayor Finlayson called for a motion to pass the contract, but the motion, but the motion died due to lack of a vote.

Councilmember Wels moved for the Introduction of An Ordinance to Amend City of Tallulah Ordinance Number 2020-08-02, Article 1, Section 12-175. 1(A). Councilmember Day seconded, and motion carried unanimously,

The remainder of the meeting consisted of citizens complaining about water problems and future concerns. They would like to get firsthand feedback from the companies Magnolia and Paterson.,

There being no further business to discuss, Mayor Finlayson adjourned the meeting.

Gerald L Odom, City Clerk

Charles M. Finlayson, Mayor

This Resolution was introduced by _____ and seconded by _____

RESOLUTION NO. _

**PROCLAIMING THE MONTH OF July 2025 AS “FAIR HOUSING” MONTH IN THE
CITY OF TALLULAH**

WHEREAS, It is the policy of the City of Tallulah to support the National Fair Housing Law, Title VIII of the Civil Rights Act of 1968 to ensure equal opportunity in housing for all persons regardless of race, color, religion, sex, disability (physical and mental), familial status or national origin; and

WHEREAS, this law guarantees for each citizen the critical, personal element of freely choosing a home; and,

WHEREAS, the department and agencies of the State of Louisiana are to provide leadership in the effort to make fair housing not just an idea, but an ideal for all of our citizens;

NOW THEREFORE, a motion was made by _____, and was seconded by _____ to designate the month of July 2025 as Fair Housing Month in the City of Tallulah.

THE FOREGOING RESOLUTION having been submitted to a vote, the vote was as follows:

YEAS: _____

NAYS: _____

ABSTAIN: _____

ABSENT: _____

PASSED, APPROVED, AND ADOPTED by a _____ vote this

_____, 2025.

CITY OF TALLULAH

Attest:

Charles Finlayson
Mayor

Gerald Odom
City Clerk

Agreement for Sharing of Customer Information

THIS AGREEMENT, is made and entered into on June _____, 2025, by and between Magnolia Water Utility Operating Company, LLC (“Magnolia”), and The City of Tallulah, Louisiana (“Tallulah”), or referred to individually as a “Party” or collectively as “Parties.”

WHEREAS, Magnolia is the contracted operator of the water utility system within Tallulah, Louisiana (“Service Area”) pursuant to Emergency Executive Order JML 25-018 (the “Order”); and

WHEREAS, Magnolia, pursuant to the Order, has assumed all operational and management control of the water utility service in the Service Area;

WHEREAS, Tallulah provides the sewer and trash collection services to customers within the Service Area; and

WHEREAS, Tallulah uses water provided from the water utility system operated by Magnolia to provide sewer services to its customers; and

WHEREAS, Tallulah bills customers directly for sewer utility services based upon volumetric usage; and

WHEREAS, Tallulah requires the billing data for Magnolia water service customers in order to bill the same customers for sewer services; and

WHEREAS, Tallulah also requires notice of new water service connections in the Service Area, as well as any change in account status, in order to initiate or transfer sewer and trash collection service and billing; and

WHEREAS, Magnolia desires to provide the required customer data to Tallulah;

NOW THEREFORE, for the reasons set forth above, and in consideration of the mutual

promises and agreements set forth in this Agreement, Magnolia and Tallulah agree as follows:

1. **Notification of New Service or Change in Account Status:** Magnolia shall be required to notify Tallulah by written notice monthly of any new water service connection, as well as any change in account status, such as a change in name of the account holder. Such notice shall include the name, service address and date of connection or transfer for any new or transferred account.
2. **Monthly Water Usage Report:** Magnolia shall provide a monthly report showing the current meter reading and consumption for each of its customers for use by Tallulah for billing sewer service customers. This report shall be submitted electronically no later than the fifth (5th) day of the following month. As consideration for Magnolia providing this billing data, Tallulah shall pay to Magnolia a total fee of \$100.00 per month. The amount of the total fee due shall be billed monthly to Tallulah with payment due within thirty (30) days of the statement date.
3. **Cost of New Connection or Account Transfer Information:** As consideration for Magnolia providing new connection or account transfer information, Tallulah shall pay to Magnolia a total fee of \$100.00 per month. The amount of total fees due for this service shall be billed to Tallulah monthly and included in the monthly water usage report, with payment due within thirty (30) days.
4. **Exemption from Civil Liability:** Magnolia shall be exempt from any and all civil liability whatsoever arising from or related to the services to be provided hereunder, and Tallulah agrees to indemnify, hold harmless and defend Magnolia against any and all claims, including all legal fees, legal costs and other expenses. Such defense, indemnity and hold harmless shall not be applicable to claims, expenses, etc., resulting from Magnolia's own

negligence, fault or failure, or that of its agents or employees.

5. **Indemnification:** Tallulah will defend, indemnify, and hold Magnolia harmless against any and all claims, including all legal fees, legal costs and other expenses reasonably demanded, made, claimed or incurred by a Delinquent Customer, arising out of or resulting from the good faith termination of water service, or other related action taken by Magnolia upon the direction of an authorized agent of Tallulah under the terms of this Agreement. Such defense, indemnity, and hold harmless shall not be applicable to claims, expenses, etc., resulting from Magnolia's own negligence, fault, or failure, or that of its agents or employees.
6. **Insurance Policy Required:** Tallulah shall at all times keep in force a general comprehensive public liability policy issued by a company authorized to do business in Louisiana with policy limits reasonably acceptable to Magnolia. Said policy shall include Magnolia as an additional named insured. Tallulah shall furnish a certificate of insurance to Magnolia evidencing that such insurance is in effect. If at any time Tallulah fails to maintain said insurance and furnish such certificate of insurance, Magnolia may cease to notify Tallulah of new service connections until such requirement is satisfied.
7. **Term of Agreement:** This Agreement is effective as of the date stated above (the "Effective Date"), and shall continue in force until February 17, 2026, unless the Operating Agreement is terminated by the state of Louisiana or Magnolia according to the terms of the contract executed pursuant to the Order, in which case this Agreement will terminate on the earlier date upon thirty (30) days written notice.
8. **Binding Effect:** This Agreement shall be binding upon and shall inure to the benefit of Magnolia and Tallulah, and their respective administrators, successors and permitted

assigns.

9. **Attorneys' Fees:** In the event either party shall institute legal proceedings against the other arising out of the terms of this Agreement or the performance of a party hereunder, the prevailing party shall be entitled to recover from the non-prevailing party all reasonable legal fees, legal costs and other expenses incurred in any such action.
10. **No Joint Venture:** Nothing contained in this Agreement shall be deemed to render the parties as joint venturers or partners and neither shall have the right or power to bind or obligate the other except in accordance with the terms and provisions of this Agreement.
11. **No Third-Party Beneficiaries:** Nothing contained in this Agreement is intended to give, nor shall it have the effect of giving, any enforceable rights to any third party who is not a party hereto or an heir, executor, administrator, successor or permitted assign of a party hereto, whether such claims are asserted as third-party beneficiary rights or otherwise.
12. **Assignment:** This Agreement may not be assigned, delegated or subcontracted by either Party without the written consent of the other Party.
13. **Alternative Dispute Resolution:** If a dispute arises out of or relates to this Agreement, or the breach thereof, and if the dispute cannot be settled through negotiation, the Parties agree first to try in good faith to resolve the dispute by mediation in accordance with the Louisiana Mediation Act, LA. R.S. 9:4101, *et seq.*
14. **Governing Law, Jurisdiction and Venue:** This Agreement shall be governed by

and construed in accordance with Louisiana law, without regard to the conflicts of law principles thereof. Any claims, legal proceedings or litigation arising in connection with this Agreement shall be brought in Madison Parish, Louisiana, and the Parties hereby consent to the jurisdiction of such courts. Such proceedings shall only be instituted after the Parties have attempted to resolve the dispute through negotiation and/or Alternative Dispute Resolution, as provided in Section 12 above.

15. **Severability:** To the extent that any provision of this Agreement may be deemed or determined to be invalid or unenforceable for any reason, such invalidity or unenforceability shall not impair or affect any other provision, and this Agreement shall be interpreted as to most fully give effect to its terms and still be valid and enforceable.
16. **Entire Agreement:** This Agreement constitutes the entire understanding between Magnolia and Tallulah with respect to the subject matter hereof and supersedes any and all previous agreements and understandings between Magnolia and Tallulah concerning the subject matter hereof.
17. **Notices:** All notices, requests, consents, and other communications required or permitted hereunder shall be in writing and shall be personally delivered; electronically delivered by electronic mail, telecopy or telex; mailed by using U.S. first-class, registered or certified mail, return receipt requested, postage prepaid, or sent by Federal Express (or other nationally recognized overnight carrier) to the following addresses or to such other address as the parties hereto may designate in writing:

If to Magnolia:

Magnolia Water Utility Operating Company, LLC
c/o Central States Water Resources, Inc.
Attn: Chelsie Carter
1630 Des Peres Road, Suite 140
Des Peres, MO 63131
ccarter@cswrgroup.com

With a copy to:

Magnolia Water Utility Operating Company, LLC
c/o Central States Water Resources, Inc.
Attn: Todd Thomas
1630 Des Peres Road, Suite 140
Des Peres, MO 63131
tthomas@cswrgroup.com

If to Tallulah:

The City of Tallulah
c/o Mayor Charles Finlayson
204 North Cedar Street
Tallulah, LA 71282
ylewis@tallulah-la.gov

With a copy to:

Pamela Grady, Esq.
Crews Grady PLLC
401 North Cedar Street
Tallulah, LA 71282
pamela@crewsgrady.com

All such notices, requests, consents and other communications shall be deemed to be properly given if delivered personally or, if sent by U.S. Mail, registered or certified, return receipt requested, three (3) business days after the same have been deposited in the United States Mail, addressed and postage prepaid as set forth above or, if sent by a nationally recognized overnight carrier, the day after delivery

to a nationally recognized overnight carrier or, if sent electronically, upon verification of receipt.

18. **Amendment and Modification:** This Agreement may be amended, modified or supplemented only by written agreement of the parties hereto.
19. **Waiver:** Any waiver by either party of any breach of any of the terms of this Agreement shall not be considered a waiver of any subsequent breach. The failure of either party at any time or from time to time to require performance of any of the other party's obligations under this Agreement shall in no manner affect that party's right to enforce any provision of this Agreement at a subsequent time.
20. **Captions:** The captions herein are for the convenience of the parties and are not to be construed as part of the terms of this Agreement.
21. **Counterparts:** This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of such counterparts shall together constitute but one and the same instrument. Delivery of an executed counterpart of this Agreement by facsimile or other electronic means shall be equally as effective as delivery of a manually executed original counterpart of this Agreement.

This Agreement is executed in duplicate originals as of the day, month and year first above written.

Magnolia Water Utility Operating Company, LLC

The City of Tallulah

**By: Central States Water Resources, Inc.,
Its Manager**

**By: _____
Charles M. Finlayson, Mayor**

**By: _____
Josiah Cox, President**

**AGREEMENT FOR THE SHARING OF INFORMATION
AND DISCONNECTION/RECONNECTION OF SERVICE**

This Agreement ("Agreement") is made and entered into on June ____, 2025 (the "Effective Date"), between Magnolia Water Utility Operating Company, LLC, a Louisiana limited liability company (hereinafter "Magnolia"); and the City of Tallulah, a political subdivision of the state of Louisiana (hereinafter "Tallulah"), or referred to individually as "Party" or collectively as the "Parties."

WITNESSETH

For and in consideration of the mutual covenants and conditions herein set forth, Magnolia and Tallulah do by these presents, covenant, contract, and agree as follows:

WHEREAS, Tallulah is the owner and provider of water utility services within the incorporated boundaries of Tallulah (the "Service Area"); and

WHEREAS, Magnolia is the contracted operator of the water utility service in the Service Area pursuant to Emergency Executive Order JML 25-018 (the "Order"); and

WHEREAS, Magnolia, pursuant to the Order, has assumed all operational and management responsibilities of the water utility service in the Service Area, to include billing for water service to customers in the Service Area; and

WHEREAS, Tallulah operates the sewer service utility in the Service Area and bills customers directly for that service based upon volumetric usage; and

WHEREAS, Tallulah desires that Magnolia provide its monthly billing data for water usage to Tallulah so that Tallulah can timely and accurately bill sewer service customers; and

WHEREAS, Tallulah also desires to contract with Magnolia to perform disconnect/reconnect services to delinquent sewer service customers within the Service Area; and

WHEREAS, Tallulah and Magnolia desire to mutually cooperate in the orderly and timely billing of sewer service customers in the Service Area; and

WHEREAS, Tallulah and Magnolia desire to mutually cooperate in the orderly and timely disconnect/reconnect of sewer service for delinquent customer accounts in the Service Area; and

WHEREAS, to that end, Tallulah and Magnolia have agreed as follows:

I. SHARING OF CUSTOMER INFORMATION

The Parties shall protect customer information, it being understood and agreed that protecting such information must be a top priority in the relationship established by this Agreement. As such, the Parties have adopted the following policy regarding the sharing of customer information and protection of that information going forward.

Tallulah agrees to share certain customer information with Magnolia under limited circumstances. Specifically, Tallulah shall disclose customer information to Magnolia only when Magnolia needs to know that information in order to process service disconnect/reconnect requests from Tallulah. Magnolia agrees to protect and not disclose any customer information to third parties. The sharing of customer information shall be further subject to the following conditions:

A. The customer information that may be shared by Tallulah with Magnolia shall be limited to customer name, mailing address, service address, phone number, e-mail address of the customer, customer account number and delinquent balance. No other customer information shall be shared.

B. This information shall only be shared after a customer becomes delinquent in the payment of sewer fees, charges and penalties, as determined by Tallulah, and upon engagement of Magnolia by Tallulah to disconnect or reconnect service.

C. The Parties reserve the right to disclose customer information as required by law or when either Party believes that disclosure is necessary to protect its rights and/or comply with a judicial proceeding, court order or other legal process.

II. TERMS OF AGREEMENT FOR COOPERATION AND DISCONNECTION/RECONNECTION OF SERVICE

A. Tallulah shall provide to a Delinquent Customer, pursuant to policies established by Tallulah, a Notice of Intent to Disconnect sewer service (the "Notice of Intent to Disconnect"). The Notice of Intent to Disconnect shall include, but is not limited to, the amount of all delinquent sewer fees, charges and penalties. The Notice of Intent to Disconnect shall further inform the Delinquent Customer that failure to pay such delinquent sewer fees, charges and penalties within a certain number of days will result in Tallulah notifying Magnolia to disconnect water service to the Delinquent Customer.

B. If a Delinquent Customer fails to pay the delinquent sewer fees, charges and penalties within the time period specified by Tallulah, then Tallulah may submit a written request for Magnolia to disconnect water service to the Delinquent Customer (the "Disconnection Request"). The Disconnection Request shall be submitted to Magnolia at Central States Water Resources, Inc.'s Customer Service Department ("CSWR") at ccarter@cswrgroup.com, and shall include a copy of the Notice of Intent to Disconnect set forth in Paragraph II(A), as well as any other necessary information required by Magnolia to identify the service address of the Delinquent Customer.

C. The Disconnection Request shall also include a service fee of fifty dollars (\$50.00) for the disconnection of water service to each Delinquent Customer. Also, Tallulah must provide to Magnolia a sufficient number of doorhanger forms to be used by Magnolia to inform Delinquent Customers that water service has been disconnected for failure to pay delinquent sewer fees, charges and penalties. The doorhanger forms shall be delivered to Magnolia through its local representative, Patterson Professional Services, LLC, in advance of any disconnection to be performed hereunder, at 456 Treatment Plant Road, Tallulah, LA 71282. The doorhanger shall also set forth the necessary steps for the Delinquent Customer to pay any delinquent amounts, including disconnection/reconnection fees and the process to seek reconnection of water services.

D. Any and all payment arrangements by the Delinquent Customer to pay delinquent sewer charges, including disconnection/reconnection fees, shall be made by said Delinquent Customer to Tallulah, as specified in the doorhanger.

E. Tallulah agrees and covenants that it shall not request disconnection of water service under this Agreement for more than ten (10) Delinquent Customers on any given day.

F. Upon the satisfaction by any Delinquent Customer of all delinquent charges and penalties, Tallulah may submit a written request for Magnolia to reconnect water service to the Delinquent Customer (the "Reconnection Request"). The Reconnection Request shall include all necessary information required by Magnolia to identify the service address of the Delinquent Customer and restore water service.

G. The Reconnection Request shall also include a service fee of fifty dollars (\$50.00) for the reconnection of water service for each Delinquent Customer.

H. Tallulah agrees and covenants that it shall not request reconnection of water service under this Agreement for more than ten (10) Delinquent Customers on any given day.

I. Tallulah will defend, indemnify, and hold Magnolia harmless against any and all claims, including all legal fees, legal costs and other expenses reasonably demanded, made, claimed or incurred by a Delinquent Customer, arising out of or resulting from the good faith termination of water service, or other related action taken by Magnolia upon the direction of an authorized agent of Tallulah under the terms of this Agreement. Such defense, indemnity, and hold harmless shall not be applicable to claims, expenses, etc., resulting from Magnolia's own negligence, fault, or failure, or that of its agents or employees.

J. Tallulah shall at all times keep in force a general comprehensive public liability policy, inclusive of workers compensation coverage, issued by a company authorized to do business in Louisiana with policy limits reasonably acceptable to Magnolia. Said policy shall include Magnolia as an additional named insured. Tallulah shall furnish a certificate of insurance to Magnolia evidencing that such insurance is in effect. If at any time Tallulah fails to maintain said insurance and furnish such certificate of insurance, Magnolia may cease the performance of its duties and obligations hereunder until such requirement is satisfied.

III. EFFECTIVE PERIOD

This Agreement is effective as of the date stated above (the "Effective Date"), and shall continue in force until February 17, 2026, unless the Operating Agreement is terminated by the state of Louisiana or Magnolia according to the terms of the contract executed pursuant to the Order, in which case this Agreement will terminate on the earlier date upon thirty (30) days written notice.

IV. GENERAL TERMS AND CONDITIONS

A. The use of any particular gender or the plural or singular number in this Agreement is intended to include the other gender or number as the text of this Agreement may require.

B. This Agreement shall be binding upon and shall inure to the benefit of Magnolia and Tallulah, and their respective administrators, successors, and permitted assigns.

C. Nothing contained in this Agreement shall be deemed to render the parties as joint venturers or partners and neither shall have the right or power to bind or obligate the other except in accordance with the terms and provisions of this Agreement.

D. Nothing contained in this Agreement is intended to give, nor shall it have the effect of giving, any enforceable rights to any third party who is not a party hereto or an heir, executor, administrator, successor or permitted assign of a party hereto, whether such claims are asserted as third-party beneficiary rights or otherwise.

E. This Agreement may not be assigned, delegated or subcontracted by Tallulah without the written consent of Magnolia.

F. If a dispute arises out of or relates to this Agreement, or the breach thereof, and if the dispute cannot be settled through negotiation, the Parties agree first to try in good faith to resolve the dispute by mediation in accordance with the Louisiana Mediation Act, LA. R.S. 9:4101, *et seq.*

G. This Agreement shall be governed by and construed in accordance with Louisiana law, without regard to the conflicts of law principles thereof. Any claims, legal proceedings or litigation arising in connection with this Agreement shall be brought in Madison Parish, Louisiana, and the Parties hereby consent to the jurisdiction of such courts. Such proceedings shall only be instituted after the Parties have attempted to resolve the dispute through negotiation and/or Alternative Dispute Resolution, as provided in Subsection F above.

H. In the event either party shall institute legal proceedings against the other arising out of the terms of this Agreement or the performance hereunder, the prevailing party shall be

entitled to recover from the non-prevailing party all legal fees, legal costs and other expenses incurred in any such action.

I. To the extent that any provision of this Agreement may be deemed or determined to be invalid or unenforceable for any reason, such invalidity or unenforceability shall not impair or affect any other provision, and this Agreement shall be interpreted as to most fully give effect to its terms and still be valid and enforceable.

J. This Agreement constitutes the entire understanding between Magnolia and Tallulah with respect to the subject matter hereof and supersedes any and all previous agreements and understandings between Magnolia and Tallulah concerning the subject matter hereof.

K. All notices, requests, consents, and other communications required or permitted hereunder shall be in writing and shall be personally delivered; electronically delivered by electronic mail, telecopy or telex; mailed by using U.S. first-class, registered or certified mail, return receipt requested, postage prepaid, or sent by Federal Express (or other nationally recognized overnight carrier) to the following addresses or to such other address as the parties hereto may designate in writing:

If to Magnolia:

Magnolia Water Utility Operating Company, LLC
c/o Central States Water Resources, Inc.
Attn: Chelsie Carter
1630 Des Peres Road, Suite 140
Des Peres, MO 63131
ccarter@cswrgroup.com

With a copy to:

Magnolia Water Utility Operating Company, LLC
c/o Central States Water Resources, Inc.
Attn: Todd Thomas
1630 Des Peres Road, Suite 140
Des Peres, MO 63131

tthomas@cswrgroup.com

If to Tallulah:

The City of Tallulah
c/o Mayor Charles Finlayson
204 North Cedar Street
Tallulah, LA 71282
ylewis@tallulah-la.gov

With a copy to:

Pamela Grady, Esq.
Crews Grady PLLC
401 North Cedar Street
Tallulah, LA 71282
pamela@crewsgrady.com

All such notices, requests, consents and other communications shall be deemed to be properly given if delivered personally or, if sent by U.S. Mail, registered or certified, return receipt requested, three (3) business days after the same have been deposited in the United States Mail, addressed and postage prepaid as set forth above or, if sent by Federal Express (or other nationally recognized overnight carrier), the day after delivery to Federal Express (or other nationally recognized overnight carrier) or, if sent electronically, upon verification of receipt.

L. This Agreement may be amended, modified or supplemented only by written agreement of the parties hereto.

M. Any waiver by either party of any breach of any of the terms of this Agreement shall not be considered a waiver of any subsequent breach. The failure of either party at any time or from time to time to require performance of any of the other party's obligations under this Agreement shall in no manner affect that party's right to enforce any provision of this Agreement at a subsequent time.

N. The captions herein are for the convenience of the parties and are not to be construed as part of the terms of this Agreement.

O. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of such counterparts shall together constitute but one and the same instrument. Delivery of an executed counterpart of this Agreement by facsimile or other electronic means shall be equally as effective as delivery of a manually executed original counterpart of this Agreement.

IN WITNESS WHEREOF, the Parties hereto have signed this Agreement, effective on the Effective Date set forth above.

Magnolia Water Utility Operating Company, LLC

The City of Tallulah

**By: Central States Water Resources, Inc.,
Its Manager**

**By: _____
Charles M. Finlayson, Mayor**

**By: _____
Josiah Cox, President**

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Office of the Mayor

FROM THE DESK OF THE MAYOR

Charles M. Finlayson
Mayor
Joseph Scott
District 1
Lisa Houston
District 2
Carla Turner-Harris
District 3
Marjorie Day
District 4
Toriano Wells
District 5

As we head into the next fiscal year for the City of Tallulah, I would like to share information with the citizens regarding the financial status of our City, with an emphasis on the Water Fund and the Sewer Fund. I want to be very clear with our citizens that the City of Tallulah is facing a financial crisis due to a combination of factors including astronomical expenses at the Tallulah Water Plant over Fiscal Year (FY) 24/25 (July 1, 2024 to June 30, 2025) and non-payment of Sewer bills by a significant number of customers since April of 2025.

First, I would like to address the Water Fund. In FY 24/25, operational expenses far exceeded the budgeted amount. Astronomical costs at the Water Plant meant that the Water Fund ran at a deficit for most of the fiscal year. This affected General Fund as the Water Fund was unable to reimburse General Fund for payroll and payroll expenses. To explain, generally, all payroll and payroll expenses are paid from General Fund and then there is a transfer from Water Fund and Sewer Fund back to General Fund for that particular payroll pay period amount. Due to the overwhelming amount of expenses at the Water Plant, the transfers from the Water Fund to General Fund for payroll did not occur over the majority of FY24/25.

What this means is that General Fund has been subsidizing the Water Fund's payroll expenses since October 2024, in the amount of \$462,588. The City's Sales Tax goes into an account at Delta Bank. In October 2024 the Sales Tax account had approximately \$867,000, which we proudly kept as a rainy-day fund. That account now has approximately \$248,000 in it. Withdrawals were made to (1) Continue City operations and (2) Offset sky-rocketing expenses at the Water Plant.

As fiscal year 24/25 closes, we find that we are \$440,000 over budget. Although we did enter into the Receivership last June, we still faced paying all operational expenses up until March 2025 (when Magnolia Water began collecting water revenue) and payroll expenses through May 2025 (when water employees opted to terminate City employment and begin working for Magnolia). We appreciate the assistance from the State of Louisiana, which has invested over \$1.5 million into the Tallulah Water Plant since late February 2025 and will continue to assist our City until we have clean water. However, the exorbitant expenses at the water plant from July of 2024 to February of 2025 caused us to experience a heavy financial blow.

With regard to Sewer, once water revenue began being collected by Magnolia in March 2025, the City saw a tremendous drop in Sewer and Trash billing collections. We worked with Magnolia to develop contracts

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that would allow Magnolia to assist with Sewer collections by turning off water services if customers did not pay their sewer bills. On June 12, 2025, the City Council opted to not sign those contracts.

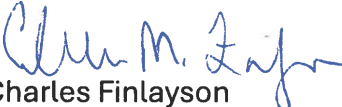
Without those contracts in place, Magnolia will not assist in turning off water services when customers do not pay their Sewer Bills. I intend to bring those contracts back before the Council for reconsideration. Without the threat of having water services interrupted for non-payment of sewer billing, there are no consequences for individuals who do not pay their Sewer bills. With lower sewer collections, we now face operational revenue for the Sewer system as a whole.

As of today, there are 441 outstanding sewer bills that have not been paid. I'd like to remind everyone that along with sewer charges, the sewer bill also collects for garbage services. Garbage revenue is deducted and paid directly to the Madison Parish Police Jury. If sewer bills are not collected, then that means we are unable to pay the Jury for trash services. This poses the very real possibility of potential litigation.

I am urging each of you to pay your Sewer bills promptly. I am also urging the City Council to revisit the Magnolia contracts and approve them so that we have real consequences for individuals who chose not to pay their sewer bills. It is only fair -- if you have sewer services then you are responsible to pay your rightful bill.

I have an obligation to advise you all of our precarious financial position. Without some very quick action, we are facing the real possibility of a fiscal administrator being appointed to take over city operations. If that happens, all decisions will be made by the administrator with no input from the Mayor or the Council.

I am asking all citizens to attend Senator Katrina Jackson-Andrews and Representative Travis Johnson forum on Monday, June 30, 2025, at the Tallulah Madison Community Center. Our state delegation will host a post Legislative Session and Water Update. Both Senator Andrews and Representative Johnson are aware of our financial position. I am asking them both for their assistance as Tallulah faces our daunting challenges.


Charles Finlayson
Mayor