

NORTH TEXAS MUNICIPAL WATER DISTRICT
POST-TRANSITION WASTEWATER OPERATIONS SUPPORT AGREEMENT

This POST-TRANSITION WASTEWATER OPERATIONS SUPPORT AGREEMENT (the “Agreement”) is dated and entered into as of the _____ day of _____, 2024, by and between the North Texas Municipal Water District, a conservation and reclamation district created and operating pursuant to Article XVI, § 59 of the Texas Constitution (the “District”), and the City of Farmersville, Texas, a home-rule municipality operating pursuant to the Constitution and laws of the State of Texas (the “City”). The District and the City are sometimes individually referred to herein as a “Party” and collectively as the “Parties.”

RECITALS

WHEREAS, the City owns Farmersville No. 1 Wastewater Treatment Plant (“WWTP”) (TPDES Permit No. WQ0010442001) and Farmersville No. 2 WWTP (TPDES Permit No. WQ0010442002);

WHEREAS, the City contracted with the District to operate Farmersville No. 1 and No. 2 WWTPs (the “Facilities”) pursuant to that certain Wastewater Treatment Agreement dated December 1, 1993, attached hereto as **Exhibit A** and made a part hereof for all purposes (the “1993 Agreement”);

WHEREAS, the District is currently the operator of the Facilities pursuant to the 1993 Agreement;

WHEREAS, the City is constructing Farmersville No. 3 WWTP (TPDES Permit No. WQ0014778001), which shall be solely operated by the City upon commissioning of the WWTP;

WHEREAS, the City now seeks to become the sole operator of the Facilities;

WHEREAS, the City and the District have engaged in a process to enable smooth transition of the role of operator from the District to the City for the operation, maintenance, and administration of the Facilities;

WHEREAS, the Parties agree that execution of this Agreement shall serve as termination of the 1993 Agreement pursuant to Section 6 of that agreement if that agreement has not been terminated; and

WHEREAS, the City desires to contract for District support in operation of the Facilities if a need arises following the termination of the 1993 Agreement for a limited period of time and the District desires to provide such contractual support.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the sufficiency of which are hereby conclusively acknowledged, and subject to the terms and conditions hereinafter set forth, the District and the City mutually undertake, promise, and agree as follows:

ARTICLE I TERMINATION

Section 1.1 Termination. The 1993 Agreement is hereby terminated as of the Effective Date of this Agreement.

Section 1.2 Mutual Release. As of the Effective Date, both Parties shall be released from all obligations, liabilities, and claims under the 1993 Agreement, except for obligations that expressly survive termination or those that have accrued prior to the termination date.

Section 1.3 Final Settlement. The District shall provide a final invoice covering all outstanding fees, costs, or expenses incurred up to the Effective Date, which shall be payable within thirty (30) days of the Effective Date.

ARTICLE II DISTRICT OBLIGATIONS

Section 2.1 Operations, Maintenance, and Administration Support. The District agrees to provide operations, maintenance, and administrative support for the Facilities following the transition of the role of operator of the Facilities from the District to the City. Such support services by the District may include, but may not be limited to:

- A. Providing correspondence, conferences, or meetings for District staff to share relevant expertise regarding operation and maintenance of the Facilities;
- B. Providing District staff presence at the Facilities for the purpose of assisting with or providing advice related to the operation and maintenance of the Facilities;
- C. The use of District parts, tools, and equipment if the City is not able to procure reasonably comparable ones; and
- D. Locating and providing any records necessary for operation of the Facilities to the City that have not been previously provided.

Section 2.2 Limitations of Support. The District shall have no responsibility for the continuous operation and management of the Facilities as of the Effective Date. The District shall not provide support services under this Agreement in the following circumstances:

- A. The District shall not provide support in areas which it does not possess relevant experience or expertise.
- B. The District shall not provide any support services for City land and associated facilities, such as mowing, tree trimming, fence repair, road maintenance, or ground maintenance.
- C. The District shall not provide any support for operation or maintenance of the City collection system and all activities and influent prior to the point of delivery to the Facilities.
- D. The District shall not provide the use of District parts, tools, and/or equipment if the use of such parts, tools, and/or equipment extends beyond the termination date of this Agreement.
- E. The District shall not provide support if providing support would place an undue burden on District resources that may impact District operation of its facilities or provision of services.
- F. The District shall not provide support if District resources are otherwise tasked with urgent or emergency responsibilities.

Section 2.3 Support at District’s Sole Discretion. Any support services provided under this Agreement shall be entirely at the discretion of the District. The District reserves the right to determine the nature, extent, and timing of any support services offered and has sole discretion to decline to provide any support services requested by the City for any reason.

Section 2.4 Facility Operations. All work performed by the District under this Agreement will meet the standard expected of a prudent operator of a wastewater system in Texas and any standard or requirement specified in this Agreement. Wastewater treatment plant design may vary. The District will utilize District staff that possess and maintain the appropriate levels of certification required by TCEQ and the State of Texas while performing work under this Agreement.

ARTICLE III CITY OBLIGATIONS

Section 3.1 Access. The City will make all land, buildings, improvements and equipment associated with the Facilities available to the District for the purpose of providing the requested support services and hereby grants the District a license to access such land and Facilities.

Section 3.2 Regulatory Compliance. The City will assist and cooperate with the District in good faith at all times to ensure compliance with applicable federal, state and local regulations and permit requirements, including the TPDES Permit Nos. WQ0010442001 and WQ0010442002 (the “TPDES Permits”). Compliance with the TPDES Permits includes all effluent quality monitoring,

testing and reporting requirements. The City shall respond directly to any requests from TCEQ or EPA or other regulatory agency for any additional information, records or Facilities' data.

ARTICLE IV FEES AND PAYMENT

Section 4.1 Cost of Support Services. The total cost for support services provided under this Agreement shall be calculated based on the actual hours worked, tracked, and recorded by the District, at the rates in the rate sheet attached as **Exhibit B**. The City will be solely responsible for the costs for the acquisition and delivery of any materials used in the provision of support services under this Agreement.

Section 4.2 Invoices and Payment. The District shall provide a detailed invoice, including breakdown of hours worked, materials used, and any additional expenses to the City within seven (7) days of the provision of support services under this Agreement. The City shall pay the District within thirty (30) days of the invoice date.

ARTICLE V GENERAL PROVISIONS

Section 5.1 Term. This Agreement shall commence as of the Effective Date as set forth below and shall continue until March 31, 2025, after which it will terminate and shall no longer be of any force and effect. This Agreement shall not be extended or renewed. Upon termination, all obligations and rights under this Agreement shall cease, except for those expressly stated to survive termination.

Section 5.2 Termination. This Agreement may be terminated as follows:

- A. In the event that a Party breaches any material covenant, obligation, representation or warranty of such Party under this Agreement, which breach remains uncured for a period of thirty (30) days after the non-breaching Party provides notice to the breaching Party, the non-breaching Party shall have the right (but not the obligation) to terminate this Agreement.
- B. Either Party may terminate this Agreement for convenience and without assigning any reason, provided that the terminating Party provides the non-terminating Party with written notice of such termination at least ten (10) days in advance of the proposed termination date.

Section 5.3 Indemnification and Third-Party Claims.

- A. Indemnification by City. In addition to the other remedies afforded to the District in this Agreement, and only to the extent permitted by law, the City shall release, indemnify, defend, and hold harmless the District, its officers, directors, employees, contractors and agents (the "Indemnified Parties") for, from and against any and all loss, cost, expense,

claim, action, proceeding before any governmental authority or arbitral tribunal, demand, damage, fine, liability, obligation or penalty, lien, cause of action, suit and expense (including, without limitation, court costs, reasonable attorneys' fees and costs of investigation, removal and remediation, and governmental oversight costs), environmental or otherwise of any nature, kind or description of any person or entity directly or indirectly arising out of, resulting from, or related to, in whole or in part, 1) the City's performance or omission of its obligations pursuant to this Agreement, and 2) the District's performance of its obligations pursuant to this Agreement.

- B. Defense of Third-Party Claims. In the event any action or proceeding shall be brought against an Indemnified Party by reason of any matter for which an Indemnified Party is legally indemnified hereunder, the City shall, upon notice from the District or its authorized agents or representatives, at the City's sole cost and expense, resist and defend the same with legal counsel selected by the City and approved by the District; provided, however, that the City shall neither admit liability in any such matter on behalf of the Indemnified Party nor enter into any compromise or settlement of, any claim for which an Indemnified Party is indemnified hereunder, without the prior written consent of the Indemnified Party. The City's obligation to defend shall apply regardless of whether the District is solely or concurrently negligent. Nothing herein shall be deemed to prevent the District at its election and at its own expense from cooperating with the City and participating in the defense of any litigation by its own counsel. In a matter for which an Indemnified Party is legally indemnified, if the City fails to select defense counsel and notify the District of the selection within seven (7) days after receipt of the District's written notice that an Indemnified Party is invoking its right to indemnification under this Agreement, the Indemnified Party shall have the right to retain defense counsel on their own behalf, and the City shall be liable for all defense costs reasonably and necessarily incurred by the Indemnified Party.

Section 5.4 Limitation on Liability. The District shall not be held liable for any and all TPDES Permit violations incurred by the City and related to the Facilities after the Effective Date of this Agreement. The City accepts full responsibility for such violations and agrees to indemnify and hold harmless the District for such violations.

Section 5.5 Amendment and Modification. This Agreement shall not be amended except in writing by both Parties hereto. No change, amendment, or modification of this Agreement shall be made or be effective which will adversely affect the prompt payment when due of all money required to be paid by the City under the terms of this Agreement.

Section 5.6 Independent Contractor. The District is not an employee of the City, but serves the City as an independent contractor. This Agreement in no way constitutes a joint venture between the City and the District.

Section 5.7 Addresses and Notice. Unless otherwise provided herein, any notice, communication, request, reply, or advice (herein severally and collectively, for convenience, called "Notice") herein provided or permitted to be given, made, or accepted by any Party to the other Party must be in writing and may be given or be served by depositing the same in the United States mail postage prepaid and registered or certified and addressed to the Party to be notified,

with return receipt requested, or by personally delivering the same to an officer of such Party. Notice deposited in the mail in the manner hereinabove described shall be conclusively deemed to be effective, unless otherwise stated herein, from and after the expiration of three (3) days after it is so deposited. Notice given in any other manner shall be effective only if and when received by the Party to be notified. For the purposes of notice, the addresses of the Parties shall, until changed as hereinafter provided, be as follows:

If to the District:

Executive Director/General Manager
North Texas Municipal Water District
501 East Brown Street
P.O. Box 2408
Wylie, Texas 75098

If to the City:

The District and the City shall have the right from time to time and at any time to change their respective addresses and each shall have the right to specify as its address any other address by at least fifteen (15) days' written notice to the other Party.

Section 5.8 Severability. The Parties hereto specifically agree that in case any one or more of the sections, subsections, provisions, clauses, or words of this Agreement or the application of such sections, subsections, provisions, clauses, or words to any situation or circumstance should be, or should be held to be, for any reason, invalid or unconstitutional, under the laws or constitutions of the State or the United States of America, or in contravention of any such laws or constitutions, such invalidity, unconstitutionality, or contravention shall not affect any other sections, subsections, provisions, clauses, or words of this Agreement or the application of such sections, subsections, provisions, clauses, or words to any other situation or circumstance, and it is intended that this Agreement shall be severable and shall be construed and applied as if any such invalid or unconstitutional section, subsection, provision, clause, or word had not been included herein, and the rights and obligations of the Parties hereto shall be construed and remain in force accordingly.

Section 5.9 Force Majeure. Notwithstanding anything herein to the contrary, the Parties hereto shall not be under any liability or be deemed to be in default with respect to their obligations under this Agreement for any failure to perform or for delay in performing such obligations hereunder (except for the obligation to pay money) where such failure or delay is due to force majeure, while and to the extent that such performance is prevented by such cause. The term force majeure means acts of God, fire, storm, flood, war, terrorist activity, riots, sabotage, strikes or other differences with labor (whether or not within the power of the Parties to settle same), decrees or orders of the courts or other governmental authority, or other similar or dissimilar causes not within the reasonable control of such Party and not due to negligence of such Party. The Parties shall use

due diligence to resume performance of any obligation suspended by force majeure at the earliest practicable time.

Section 5.10 Governing Law. This Agreement shall be governed by the Constitution and laws of the State of Texas, except as to matters exclusively controlled by the Constitution and statutes of the United States of America.

Section 5.11 Venue. All amounts due under this Agreement, including, but not limited to, payments due under this Agreement or damages for the breach of this Agreement, shall be due in Collin County, Texas, which is the County in which the principal administrative offices of the District are located and the County where this Agreement is performable. In the event that any legal proceeding is brought to enforce this Agreement or any provision hereof, the same shall be brought in state district court in Collin County, Texas.

Section 5.12 Succession and Assignment. This Agreement is binding upon and shall inure to the benefit of the Parties, their heirs, successors and assigns. This Agreement may not be assigned by any Party hereto without prior written notice to, and approval by, the other Party, which consent may be withheld without cause.

Section 5.13 Incorporation of Preamble Recitals and Exhibits. All of the recitals in the preamble and all of the exhibits of this Agreement are true and correct and are hereby incorporated into the body of this Agreement as though fully set forth in their entirety herein.

Section 5.14 Entire Agreement. This Agreement constitutes the entire agreement between and among the Parties with respect to the matters described herein.

Section 5.15 Counterparts. This Agreement may be executed in counterparts, each of which shall be an original and all of which together shall constitute but one and the same instrument.

Section 5.16 Authority. Each person signing on behalf of the Parties hereby confirms that they have the authority to execute this Agreement on behalf of the Party indicated by their signature.

IN WITNESS WHEREOF, this instrument is executed on the dates set forth below the Parties' signatures to be effective the date the last Party so signs (the "Effective Date").

(Signature pages to follow.)

THE CITY OF FARMERSVILLE, TEXAS

By: _____
Craig Overstreet, Mayor

_____ Date

STATE OF TEXAS §
 §
COUNTY OF COLLIN §

This instrument was acknowledged before me on this _____ day of _____, 2024, by Craig Overstreet, the Mayor of the City of Farmersville, Texas, on behalf of the City of Farmersville, Texas, a home-rule municipality operating pursuant to the Constitution and laws of the State of Texas.

Notary Public, State of Texas
Printed Name of Notary:

My Commission Expires: _____

NORTH TEXAS MUNICIPAL WATER DISTRICT

By: _____
Jennafer P. Covington, Executive Director Date

STATE OF TEXAS §
 §
COUNTY OF COLLIN §

This instrument was acknowledged before me on this _____ day of _____, 2024, by Jennafer P. Covington, Executive Director of North Texas Municipal Water District, a conservation and reclamation district and political subdivision of the State of Texas, on behalf of said conservation and reclamation district.

Notary Public, State of Texas
Printed Name of Notary:

My Commission Expires: _____

EXHIBIT A

WASTEWATER TREATMENT AGREEMENT

STATE OF TEXAS §

COUNTY OF COLLIN §

AN AGREEMENT BETWEEN THE CITY OF FARMERSVILLE, TEXAS, AND
THE NORTH TEXAS MUNICIPAL WATER DISTRICT FOR WASTEWATER
TREATMENT PLANT OPERATION.

This contract, made and entered into as of the 1st day
of DECEMBER, 1993, by and between the North
Texas Municipal Water District, hereinafter called "NTMWD", and
the City of Farmersville, Texas, a municipal corporation in Collin
County, Texas, hereinafter called "City".

W I T N E S S E T H :

WHEREAS, City owns two wastewater treatment plants which
discharge into a tributary of Lavon Reservoir downstream of Highway
380, and

WHEREAS, City has been issued permits from the Texas Natural
Resource Conservation Commission, permit numbers 10442-001 and 10442-
002, to discharge flow from its wastewater plants.

WHEREAS, NTMWD has been designated by the Texas Water
Quality Board to function as a regional agency in connection with
the design, construction and operation of systems in the area
tributary to the East Fork of the Trinity River in the Counties
of Dallas, Collin, Rockwall and Kaufman, and

WHEREAS, both City and NTMWD recognize the imminent
necessity of treating waste to the degree necessary to allow its
safe reuse for water supply and other purposes, and

WHEREAS, NTMWD, because of its water supply responsibilities
and the capability to contract with others in the region, appears
to be in the best position to fully develop the potential for advanced
treatment and reuse in the East Fork area;

NOW THEREFORE, in consideration of the mutual covenants
and agreements herein contained, NTMWD agrees to operate the existing
plant and the City agrees to pay for such service upon the terms
and conditions hereinafter set forth, to-wit:

1. Operating Responsibility. It is the intent of this
agreement that the operation of the plant shall be the responsibility
of the NTMWD and that the plant shall be operated in a manner that
will provide a water quality conforming to the waste control order
issued by the Texas Natural Resource Conservation Commission, or
any subsequent order issued relating to this plant.

2. Financing. The plant is presently owned by the City, and it shall be City's responsibility to provide such facilities, operating funds, and capital expenditures as are necessary to accomplish the quality of discharge stipulated in the waste control order issued by the Texas Natural Resource Conservation Commission, Environmental Protection Agency, or any subsequent orders of either.

3. Operating Budget. The NTMWD shall prepare an annual operating budget reflecting all anticipated costs in connection with the operation of the plant in sufficient detail to justify expenditures for salaries, materials, supplies and contractual services. The amount of the proposed operating budget shall be submitted to City on or before August 1 of each year. If a protest or request for a hearing on the Budget is not presented prior to September 1, the proposed Budget, on adoption by the NTMWD, shall be considered the "Annual Budget" for the ensuing fiscal year.

In the event City and NTMWD are not able to agree on the operating budget prior to October 1, the budget for the previous year shall apply for the first 60 days of the new fiscal year, with adjustments only to those items that are agreed to by City. If, at the end of this 60 day period, no agreement has been reached on the operating budget this contract shall be terminated in accordance with the termination provisions herein provided.

In the first year a budget will be prepared for a full twelve (12) months with payments based thereon and pro-rated for the actual months service is provided, but on the next October a new Budget will be implemented and the fiscal year shall thereafter be October 1 to September 30 of each year.

4. Annual Charges. Monthly payments shall be made by City equal to the total operating budget divided by 12, and these payments shall be made in advance, on or before the 10th day of each month. The first monthly payment due October 10 of each year shall be twice the calculated monthly payment with no payment due in September of each year except for any adjustments previously approved by City. At the end of each fiscal year any surplus balance would be carried forward to reduce the over-all cost during the next budgetary period.

Emergency expenditures not budgeted may be incurred with the concurrence of the NTMWD's Executive Director and the City's City Manager, subject to limitations placed on each by respective governing bodies, with appropriate adjustments in monthly payments. Routine requests for adjustments in monthly payments must receive prior approval by the City.

In the event the City shall fail to make any monthly payment by the 20th day of the month in which due, after notice to City, the NTMWD may terminate service as of the first day of the following month.

5. Additional Connections. NTMWD may provide service to other municipalities subject to approval of City, and the charge which is levied for such service shall include adequate compensation to the City for its capital investment as well as operating expenditures.

6. Termination. Either City or NTMWD may require that this operational agreement be terminated. The party desiring to terminate this agreement shall submit notice in writing to the other party, after which a period of 30 days shall be allowed before termination becomes final. Once this agreement is terminated the NTMWD shall continue its operating responsibility for a period of 45 days at the request of City with payments for service in accordance with the agreement.

7. Industrial Waste. City agrees to enforce its industrial waste ordinance and to take such action as is necessary to control the strength of raw sewage reaching the plant in order that the quality of discharge required in the waste control order may be maintained.

8. Title to Effluent. Title to effluent shall remain with City.

9. Indemnity. City agrees to indemnify and hold harmless the NTMWD from any and all causes for loss, liability, or damages arising out of the operation of the plant by the District except for acts of negligence by NTMWD personnel. The City further agrees to maintain adequate fire and extended coverage insurance on said plant.

10. NTMWD's Financial Obligation. Nothing in this agreement shall be construed as requiring the NTMWD to expend funds from any source other than the revenues received hereunder. All cost required by valid rules, regulations, laws or orders passed or promulgated by the United States of America, the State of Texas, and regulatory or judicial branches thereof having lawful jurisdiction shall be the responsibility of the City.

THIS AGREEMENT APPROVED BY THE RESPECTIVE GOVERNING BODIES WITH THE UNDERSIGNED PROPERLY AUTHORIZED TO EXECUTE IN THEIR BEHALF ON THIS THE 23RD DAY OF NOVEMBER, 1993.

NORTH TEXAS MUNICIPAL
WATER DISTRICT

By Darwin L. Whiteside
President

ATTEST:
Harry Tibbals
Secretary
(SEAL)

CITY OF FARMERSVILLE

[Signature]
Mayor

[Signature]
City Secretary

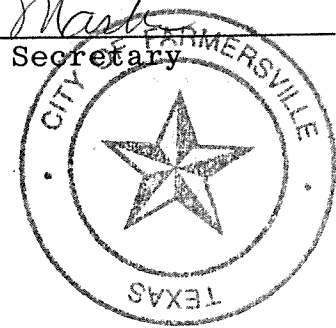


EXHIBIT B

Support Service Rates

Labor

Title	Support Service Rate
Administrative Technician	\$37.03
Crane Operator	\$42.86
Electrical Superintendent	\$63.33
Electrical Technician	\$49.62
Industrial Electrician II	\$47.26
Industrial Mechanic	\$42.86
Instrumentation Superintendent	\$63.33
Instrumentation Technician	\$47.26
Instrumentation Technician II	\$49.62
Lead Maintenance Tech	\$45.01
Lead Technical Services Mechanic	\$45.01
Lead Welder	\$45.01
Maintenance Worker	\$33.58
Wastewater Technician I	\$42.86
Welder	\$42.86
Heavy Equipment Operator	\$40.82
ISA	\$37.03
Lead Operator	\$49.62
Maintenance Superintendent - Pipeline	\$66.49
Mechanic's Assistant	\$33.58
Operator II / Transport Driver	\$38.88
Operator III	\$45.01
Pipeline Crew leader	\$47.26

Plant Supervisor I	\$54.71
Plant Supervisor II	\$63.33
Professional Engineer	\$76.98
Wastewater Coordinator	\$60.31
Wastewater Project Coordinator	\$69.82
Wastewater Mechanic	\$42.86

- *Labor provided by other job titles to be charged at midpoint for the title + 40%*
- *Labor provided outside of 7:00am - 3:00pm Monday-Friday or on District holidays to be charged at 150% of listed rate*

Equipment

Description	Cost	Unit
Cat 336F Excavator	\$272.66	hour
Link Belt 130X3 LX Excavator	\$137.11	hour
Peterbilt Jet Vacuum Truck	\$77.79	hour
Komatsu Mini Excavator	\$57.67	hour
Freightliner Crane Boom Truck	\$56.57	hour
Generac Power Systems Trailer Mounted-Generator	\$7.62	hour
Maxey Gooseneck Trailer	\$3.62	mile
Peterbilt 337 Dump Truck	\$2.75	mile
International Service Truck	\$1.91	mile
Ford F-550 4X4 Service Body Pickup w/Crane	\$1.51	mile
Ford 1 Ton 4X4 Weld Pickup	\$1.29	mile
Ford 3/4 Ton 4X4 Crew Cab Pickup	\$1.12	mile
Ford 1/2 Ton 4x4 Supercab Pickup	\$0.75	mile
Lamar Utility Trailer	\$0.40	mile

- *Equipment not comparable and not listed and parts provided at cost*