

NORTH TEXAS MUNICIPAL WATER DISTRICT WATER TRANSMISSION FACILITIES CONTRACT

THE STATE OF TEXAS §
 §
THE COUNTY OF COLLIN §

This Water Transmission Facilities Contract (the “Agreement”) is made and entered into as of this ____ of ___, 2025 (the “Effective Date”), by and between North Texas Municipal Water District (“NTMWD”), College Mound Special Utility District (“College Mound”), Gastonia-Scurry Special Utility District (“Gastonia-Scurry”), North Kaufman Water Supply Corporation (“North Kaufman”), and Becker-Jiba Special Utility District (“Becker-Jiba”) (College Mound, Gastonia-Scurry, North Kaufman, and Becker-Jiba are collectively referred to throughout as the “Participating Customers” or individually as a “Participating Customer”) (each party is individually referred to as “Party” and collectively as “Parties”).

RECITALS

WHEREAS, NTMWD is a conservation and reclamation district created by and functioning under Chapter 62, Acts of 1951, 52nd Legislature, Regular Session, as amended (the “Act”) and operating pursuant to Article XVI, § 59 of the Texas Constitution and other applicable laws; and,

WHEREAS, North Kaufman is a non-profit water supply corporation established and operating pursuant to Chapter 67 of the Texas Water Code; and,

WHEREAS, College Mound, Gastonia-Scurry, and Becker-Jiba are special utility districts created under Article XVI, § 59 of the Texas Constitution and operating under Chapters 49 and 65 of the Texas Water Code; and,

WHEREAS, NTMWD and the Participating Customers are authorized to make and enter into this Agreement under the Act, Chapters 49, 65, and 67 of the Texas Water Code and other applicable laws; and

WHEREAS, the Participating Customers have each individually entered into a potable water supply contract with NTMWD (the “Water Supply Contract”); and

WHEREAS, the Participating Customers have requested NTMWD acquire, construct, operate, and maintain certain water transmission facilities to serve the Participating Customers (the “Project”); and

WHEREAS, the Project consists of designing and constructing approximately 37,000 linear feet (“LF”) of 42-inch pipeline from the Tawakoni 42-inch line to the Kaufman 20-inch line (the “Project Facilities”); and

WHEREAS, each Participating Customer is responsible for designing, constructing and maintaining its own delivery point and connection as set forth in each Participating Customer's Water Supply Contract; and

WHEREAS, the Greater Texoma Utility Authority ("GTUA") shall fund the entirety of the Project and recover the funds expended on the Project from the Participating Customers through separate agreements with such Participating Customers; and

WHEREAS, upon Project Facilities commencing operation, NTMWD shall maintain and operate the Project Facilities and the Participating Customers shall pay for all the operation and maintenance costs associated with such Project Facilities until such time GTUA transfers ownership of the Project Facilities to NTMWD and such facilities become part of the NTMWD regional water system (the "System"); and

WHEREAS, the Parties hereto find it necessary and advisable to enter into this Agreement with respect to the Project to set forth the duties and responsibilities of the respective Parties for the implementation, funding, and operation of the Project.

AGREEMENT

NOW, THEREFORE, in consideration of the Agreement herein made, and subject to the conditions herein set forth, the Parties agree as follows:

1. Definitions. The terms and expressions used in this Agreement, unless the context shows clearly otherwise, shall have meanings as follows:
 - (a) "Participating Customers" means the Becker-Jiba Special Utility District, the College Mound Special Utility District, the Gastonia-Scurry Special Utility District, and the North Kaufman Water Supply Corporation.
 - (b) "Bonds" means any bonds or other obligations to be issued by GTUA on behalf of the Participating Customers for the acquisition, construction, or completion of the Project, whether in one or more series or issues, or any bonds or other obligations issued to refund same or to refund any such refunding bonds.
 - (c) "Project" means the design and construction of an approximately 37,000 LF of 42-inch pipeline from the Tawakoni 42-inch line to the Kaufman 20-inch line.
 - (d) "Project Facilities" means an approximately 37,000 LF of 42-inch pipeline from the Tawakoni 42-inch line to the Kaufman 20-inch line and any associated facilities. Project Facilities do not include the delivery points of the Participating Customers.
 - (e) "Regional Contract" means the "North Texas Municipal Water District Regional Water Supply Facilities Amendatory Contract," dated August 1, 1988, as amended, together with all similar contracts between NTMWD and contracting parties.

- (f) “System” means, collectively, the existing system and the future improvements and water of NTMWD included as part of the System under the Regional Contract for projects, water storage, treatment, transmission and supply, including all dams, reservoirs, and other properties or interests therein wherever located. Said terms do not include any of NTMWD’s facilities that provide wastewater treatment or disposal services, or solid waste disposal services, of any kind. Said terms do not include any facilities acquired or constructed by NTMWD with the proceeds from the issuance of “Special Facilities Bonds,” which are payable from any source, contract, or revenues whatsoever, other than revenues from the System.
2. Project Obligations. NTMWD agrees to provide services related to the Project’s design, real estate acquisition, construction management, and maintenance and operation.
- (a) NTMWD shall be responsible for selecting and contracting with an engineering services firm (or firms) for tasks that may include, but are not limited to, real estate, easement and right of way acquisition, project design and the preparation of plans, specifications and bidding documents, as well as contract administration services.
 - (b) The Participating Customers will enter into separate funding agreements with GTUA relating to the Project to establish the allocation and distribution of proportionate costs associated with a thirty-year Bond issuance by GTUA for the Project. GTUA shall reimburse NTMWD for all costs associated with the Project.
 - (c) Final plans and specifications for the Project shall be subject to the approval of NTMWD, GTUA, and Participating Customers, which approval shall not be unreasonably withheld.
 - (d) NTMWD shall provide services for acquisition of all real estate required for construction and operation of the Project. All real estate rights acquired shall be in the name of NTMWD, if possible. If necessary or expedient to acquire real estate rights in the name of a Participating Customer, each Participating Customer shall grant NTMWD the right to act on its behalf in all such instances.
 - (e) NTMWD shall provide construction management and inspection services during the construction phase of the Project. NTMWD may utilize internal staff for these tasks or may contract with third-party construction management and/or inspection services firms to perform those tasks. In either case, GTUA shall pay for all construction management and inspection services incurred by NTMWD in connection with the Project.
 - (f) NTMWD shall assist in the solicitation of bidders/proposers for the construction contract for the Project. All such solicitations shall be made in the name of GTUA, who shall be the party contracting with the construction company awarded the contract. NTMWD and Participating Customers shall have right to approve all construction contracts, with such approval not to be unreasonably withheld. GTUA

shall be responsible for the prompt payment of all costs of construction.

- (g) During the life of the Bonds, GTUA will maintain sole ownership of the Project Facilities until the Bonds are paid in full. Within sixty (60) days of the Bonds being paid in full, GTUA will transfer the ownership of the Project, including all real estate and improvements, to NTMWD, at no cost to NTMWD.
 - (h) Upon Project Facilities commencing operation, the Participating Customers shall be responsible for paying all operation and maintenance costs of the Project Facilities. Participating Customers shall share equally in payment of the operation and maintenance costs of the Project Facilities, with each Participating Customer paying twenty-five percent (25%) of the operation and maintenance costs of the Project Facilities, resulting in one hundred percent (100%) of the cost covered by each of the four (4) Participating Customers. Participating Customers agree to make payments of the operation and maintenance costs of the Project Facilities in accordance with the schedule of payments furnished by NTMWD.
2. Term of the Agreement. The term of the Agreement shall extend until such time GTUA transfers ownership of the Project Facilities to NTMWD and such facilities become part of the System.
 3. No Third-Party Beneficiaries. This Agreement shall inure only to the benefit of the Parties hereto and third persons not privy hereto shall not, in any form or manner, be considered a third-party beneficiary of this Agreement.
 4. Relationship of the Parties. The Parties agree that neither Party is an agent, servant, or employee of the other Party and that each Party is responsible for its individual acts and deeds. The Parties agree that the Project is not an association, joint venture, joint enterprise, or joint partnership. None of the Parties shall have any right, power, or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, any of the other Parties.
 5. Recitals. The recitals contained in this Agreement: (a) are true and correct as of the Effective Date; (b) form the basis upon which the Parties negotiated and entered into this Agreement; and (c) reflect the final intent of the Parties with regard to the subject matter of this Agreement. If it becomes necessary to interpret any provision of this Agreement, the intent of the Parties, as evidenced by the recitals, shall be given full effect. The Parties have relied upon the recitals as part of the consideration for entering into this Agreement and, but for the recitals, would not have entered into this Agreement.
 6. Authority to Execute. The individuals executing this Agreement on behalf of the respective Parties below represent to each other that all appropriate and necessary action has been taken to authorize the individual who is executing this Agreement to do so for and on behalf of the Party for which his or her signature appears, that there are no other parties or entities required to execute this Agreement in order for the same to be an authorized and binding agreement, and that each individual affixing his or her signature hereto is authorized to do

so, and such authorization is valid and effective on the date of this Agreement.

7. Amendments. This Agreement may be amended only by the mutual written agreement of all Parties hereto.
8. Severability. In the event any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect the other provisions, and the Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained in this Agreement.
9. Governing Law and Venue. The validity of this Agreement and any of its terms and provisions as well as the rights and duties of the Parties, shall be governed by the laws of the State of Texas. Exclusive venue for any action concerning this Agreement shall be in a State District Court of Collin County, Texas. The Parties agree to submit to the personal and subject matter jurisdiction of said courts.
10. Entire Agreement. This Agreement represents the entire agreement among the Parties with respect to the subject matter covered by this Agreement. There is no other collateral, oral or written agreement between the Parties that in any manner relates to the subject matter of this Agreement.
11. Waiver. Any waiver at any time by any Party of its rights with respect to default under this Agreement shall not be deemed a waiver of such rights with respect to any subsequent default or matter.
12. Remedies. Nothing in this Agreement shall be construed as, in any manner, to abridge, limit or deprive any Party hereunto of any means which it could otherwise have of enforcing any right or remedy either in law or in equity for breach of any of the provisions hereof.
13. Force Majeure. If, by reason for Force Majeure, any Party hereto shall be rendered unable wholly or in part to carry out its obligations under this Agreement, with the exception as hereinafter provided, then such Party shall give notice and full particulars of such Force Majeure in writing to the other party within a reasonable time after occurrence of the event or cause relied upon, and the obligation of the Party giving such notice, so far as it is affected by such Force Majeure, shall be suspended during the continuance of the inability then claimed, but for no longer period, and any such party shall endeavor to remove or overcome such inability with all reasonable dispatch. The term Force Majeure as employed herein, shall mean acts of God, strikes, lockouts, or other industrial disturbances, cyberattacks, acts of public enemy, orders of any kind of the Government of the United States or the State of Texas or any civil or military authority, insurrections, riots, epidemics (including pandemics), landslides, lightning, earthquakes, fires, hurricanes, storms, floods, washouts, droughts, arrests, restraint of government and people, civil disturbances, explosions, breakage or accidents to machinery, pipelines or canals, or other causes not reasonably within the control of the

Party claiming such inability. It is understood and agreed that the settlement of strikes and lockouts shall be entirely within the discretion of the Party having the difficulty, and that the above requirement that any Force Majeure shall be remedied within all reasonable dispatch shall not require the settlement of strikes and lockouts by acceding to the demands of the opposing party or parties when such settlement is unfavorable to it in the judgment of the Party having the difficulty. It is specifically excepted and provided, however, that in no event shall any Force Majeure relieve the Participating Customers of its obligation to make payments to NTMWD as required under this Agreement.

14. Counterparts. This Agreement may be executed in any number of counterparts, each of whom shall be deemed an original and constitute one and the same instrument.
15. 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 the prior written notice to, and prior written approval by, the other Parties, which consent may be withheld without cause.
16. Captions. The captions to the various clauses of this Agreement are for informational purposes only and shall not alter the substance of the terms and conditions of this Agreement.
17. Addresses for Notice: Except as may be provided otherwise herein, any notice, demand or request required or permitted to be delivered hereunder shall be deemed received when delivered in person by hand-delivery, delivered by overnight mail with proof of receipt, delivered by certified mail return receipt requested, or by electronic mail, addressed to the Party at the address set forth below:

NTMWD:

Attn: Executive Director and General Manager
North Texas Municipal Water District
P.O. Box 2408
Wylie, TX 75098
Phone: (972) 442-5405
jcovington@ntmwd.com

College Mound:

Attn: General Manager
College Mound Special Utility District
12731 FM 429
Terrell, TX 75161
Phone: (972) 563-1355
sthompson@collegemoundwater.com

Gastonia-Scurry:

Attn: Office Manager

Gastonia-Scurry Special Utility District
8560 Page Ln
Scurry, TX 75158
Phone: (972) 452-3388
Josey@gssud.com

North Kaufman:
Attn: General Manager
North Kaufman Special Water Supply Corporation
3891 N. Hwy. 34
Kaufman, TX 75142
Phone: (972) 962-7614
Greg.northkaufmanwsc@outlook.com

Becker-Jiba:
Attn: Operations Manager
Becker-Jiba Special Utility District
15269 FM 2860
Kaufman, TX 75142
Phone: (903) 498-3592
opsmgr@beckerjibawater.com

IN WITNESS WHEREOF, the parties have executed this Agreement and caused this Agreement to be effective on the Effective Date.

(Signatures on following pages.)

My Commission Expires: _____

My Commission Expires: _____

GASTONIA-SCURRY SPECIAL UTILITY DISTRICT

By: _____
Jeremy Rhoades, President Date _____

ATTEST:

Joe Hatcher, Vice President

STATE OF TEXAS §
 §
COUNTY OF KAUFMAN §

This instrument was acknowledged before me on this _____ day of _____, 2025,
by Jeremy Rhoades, President of the Board of Directors of Gastonia-Scurry Special Utility District,
a political subdivision of the State of Texas, on behalf of said political subdivision.

Notary Public, State of Texas

Printed Name of Notary:

My Commission Expires: _____

By: _____
David Isbell, President

Date

Janelle Davis, Secretary

This instrument was acknowledged before me on this _____ day of _____, 2025, by David Isbell, President of the Board of Directors of North Kaufman Water Supply Corporation, a non-profit water supply corporation of the State of Texas, on behalf of said non-profit corporation.

My Commission Expires: _____

BECKER-JIBA SPECIAL UTILITY DISTRICT

By: _____

Robert Dodson, President

Date

ATTEST:

Diana Clemmo, Secretary

STATE OF TEXAS §

§

§

COUNTY OF KAUFMAN §

§

This instrument was acknowledged before me on this _____ day of _____, 2025, by ____, President of the Board of Directors of Becker-Jiba Special Utility District, a political subdivision of the State of Texas, on behalf of said political subdivision.

Notary Public, State of Texas

Printed Name of Notary:

My Commission Expires: _____