



16.9	Audited Financial Statement.....	20
16.10	Current Impact Fees.....	20
16.11	Changes to Chapter 395.....	20
ARTICLE 17.	Breach, Termination and Other Remedies.....	20
17.1	Termination by Mutual Consent.....	20
17.2	Termination for Material Breach.....	20
17.3	Termination for Repeated Breach.....	20
17.4	Material Breach.....	20
17.5	Notice and Cure.....	21
17.6	Notice and Cure for Nonpayment of Impact Fees.....	21
17.7	Notice and Cure for Breach of Water Use Restrictions and Conservation.....	21
17.8	Failure to Provide Notice of Withdrawal Rate under § 7.2.....	21
17.9	Effect of Termination.....	22
17.10	No Waiver by Fort Worth.....	22
17.11	No Waiver by Customer.....	22
ARTICLE 18.	Ownership and Liability.....	22
18.1	No Joint Venture.....	22
18.2	Liabilities.....	22
18.3	Contractors.....	23
ARTICLE 19.	Force Majeure.....	23
19.1	Notice and Suspension.....	23
19.2	Definition.....	23
ARTICLE 20.	Notices.....	23
20.1	Required Notice.....	23
20.2	Delivery and Receipt.....	24
20.3	Change of Address Notices.....	24
ARTICLE 21.	Inspection and Audit.....	24
ARTICLE 22.	Miscellaneous.....	24
22.1	Favored Nations.....	24
22.2	Suspension of Rate of Use Charges.....	24
22.3	Water to Adjacent Areas.....	24
22.4	Subject to Laws and Permits.....	25
22.5	Entry on Customer's Premises.....	25
22.6	Alternative Dispute Resolution.....	25
22.7	Information.....	26
22.8	Assignment.....	26
22.9	No Waiver.....	26
22.10	VENUE.....	26
22.11	Construction.....	26
22.12	Severability.....	26
22.13	Use of Return Water.....	27
22.14	System Regulatory Actions.....	27
22.15	Additional Contract Terms.....	27
22.16	Exhibits.....	27



## ARTICLE 1. Definitions

The following definitions, when capitalized, apply throughout this Agreement:

1.1 Annual Consumption. The total quantity of water purchased under the terms of this Agreement by Customer during the Fiscal Year as determined by the difference in the annual October meter readings.

1.2 Average Daily Use. The Annual Consumption divided by the number of calendar days in the Fiscal Year year.

1.3 Calendar Day. The period from midnight of one day to 11:59 PM of the next day.

1.4 Capital Improvements. Any of the following facilities which provide utility services and benefits common to all customers (both retail and wholesale) and that have a life expectancy of three (3) or more years, whether such improvements are located within the jurisdictional limits (including the extra-territorial jurisdiction) of Fort Worth or Customer, and consisting of: water treatment facilities; metering facilities; control systems and appurtenances; storage facilities; pumping facilities; and all mains that are sixteen inches (16") and greater in diameter. Capital Improvements include the initial construction or the expansion of such facilities, as necessary to serve new development.

1.5 Chapter 395. Chapter 395 of the Texas Local Government Code, as it may be amended, or re-codified from time to time.

1.6 Customer's Service Area. The area inside the Customer's boundaries and inside the Customer's Certificate of Convenience and Necessity, as shown on **Exhibit A**, except that the Customer may, with written notice to the Director, exclude a contiguous area that receives its entire water service from provider(s) other than Fort Worth.

1.7 Customer System. All necessary Customer mains and distribution facilities on the Customer's side of the meter from and beyond the point of delivery of treated water by Fort Worth.

1.8 Delivery Facility. Any facility necessary for the transmission of water from the Fort Worth System that is on the Customer's side of the point of delivery that is constructed specifically to allow Fort Worth to serve Customer.

1.9 Director. The Director of Fort Worth Water Department or his designee.

1.10 Emergency. A situation, event or condition created by unforeseeable mechanical failure, unprecedented high rate of treated water usage (such as might result from a major fire or a major water main break) or circumstances beyond the Party's reasonable control.

1.11 Equivalent Meters or EM. A means of relating a large-use customer with a base (residential) use customer. Fort Worth Water Department uses 5/8 x 3/4 inch meter capacity as an EM. The ratio of larger meter's capacity to the 5/8 x 3/4 inch meter capacity is the number of EMs for each meter size.



1.12 Facility Expansion. The expansion of the capacity of an existing facility that serves the same function as an otherwise necessary new capital improvement, in order that the existing facility may serve new development. The term does not include the repair, maintenance, modernization, or an expansion of an existing facility to better serve existing development.

1.13 Fiscal Year. The fiscal year of Fort Worth, which is from October 1<sup>st</sup> through September 30th.

1.14 Fort Worth. The City of Fort Worth, acting by and through its duly authorized Assistant City Manager, who may delegate to the Director.

1.15 Fort Worth System. The Fort Worth water treatment and distribution system.

1.16 Impact Fee. A capital contribution funding or recouping the cost of Capital Improvements necessitated by and attributable to new development, subject to and as provided in Article 16 of this Agreement.

1.17 Maximum Day Demand. The maximum quantity of water used by Customer during one calendar day of the Fiscal Year.

1.18 Maximum Hour Demand. The quantity of water used by Customer during the one hour of the Fiscal Year that more water passed through the meter or meters serving the Customer than during any other hour of the Fiscal Year, multiplied by 24 hours and expressed as MGD.

1.19 MG and MGD. MG is million gallons; MGD is million gallons per day.

1.20 Parties. Fort Worth and the Customer, or each individually.

1.21 Rate of Use Charge. The charge for Maximum Day Demand in excess of Average Daily Use and for Maximum Hour Demand in excess of Maximum Day Demand, as provided in § 7.5 and Exhibit C.

1.22 Raw Water Charge. The rate for 1,000 gallons charged by the Tarrant Regional Water District to Fort Worth for raw water to be sold to the Customer plus four percent (4%), representing Fort Worth system losses of four percent (4%).

1.23 Return Water. All water that is returned to Fort Worth via discharge into Fort Worth's wastewater system for treatment by Fort Worth's Village Creek Wastewater Treatment Plant or another wastewater treatment plant that is owned or operated (directly or through contract) by Fort Worth.

1.24 Service Charge. A fixed monthly charge per wholesale meter, as set forth in the annual cost-of-service rate study, designed to include a portion of Fort Worth Water Department's cost for wholesale customer billing and accounting.

1.25 Street Rental. The Street Rental charged to the wholesale customers of the Fort Worth System is intended to be compensation for use of public rights-of-way. The Street Rental is established at five percent (5%) of the revenue requirements, excluding Payment in Lieu of Taxes



(PILOT). The Street Rental can not be decreased without the consent of Fort Worth in its sole discretion and, in the event of an increase, can only be increased in one percent (1%) increments once every five (5) years starting on the anniversary date of this Agreement in 2016, and shall never exceed the rate being collected from the natural gas franchised utility serving the City of Fort Worth or the rate collected from the retail water customers of Fort Worth, whichever is less.

1.26 Stand-by Charge. The fee set forth in § 7.1.3 and **Exhibit B**. The Stand-by charge is intended to allow a wholesale customer to rely on the Fort Worth System for stand-by delivery of water for the Customer's Emergency use only, as provided in § 7.6.

1.27 System Cost. System Cost, as provided in § 6.1.2.

1.28 TCEQ. The Texas Commission on Environmental Quality or its successor agency.

1.29 Treatment, Pumping and Transmission Charge. The rate, per 1,000 gallons used, regardless of rate of use, as determined by the annual cost-of-service rate study, and which shall include the maintenance and operation costs, and the capital facilities cost on the part of the production and transmission system related to annual use.

1.30 Volume Charge. The combined total of the Treatment, Pumping and Transmission Charge plus the Raw Water Charge in effect for the current Fiscal Year.

## ARTICLE 2. Delivery of Water

2.1 Delivery. Fort Worth agrees, subject to the amount of raw and treated water available to Fort Worth, to furnish and sell to Customer treated water of potable quality meeting all applicable governmental standards, delivered under the normal operating pressure prevailing in the Fort Worth System at the Customer point or points of delivery mutually agreed upon, without guarantee of a specific minimum pressure. Mutually agreed point(s) of delivery on the Effective Date are shown on **Exhibit A**.

2.2 Acceptance and Payment. Customer agrees to accept delivery of and to pay for the water in accordance with the terms and conditions of this Agreement. Customer understands and acknowledges that Customer is responsible for maintaining water pressure in the Customer's System, and that maintaining a certain water delivery pressure requires use of storage or pumps on Customer's System.

2.3 Operations. Fort Worth is entitled at any and all times to install, repair, maintain, and replace any equipment or devices in the Fort Worth System. In an Emergency, Fort Worth may take necessary action (including reduction or cessation of water service to Customer) as necessary or appropriate to allow Fort Worth at all times to maintain a minimum pressure as required by law at all retail service locations directly served by Fort Worth, and Fort Worth is excused from the requirements of § 2.1 to the extent caused by an Emergency or by Force Majeure or Fort Worth's reasonable efforts to respond to such conditions. In the event of such service interruptions, Fort Worth shall make every reasonable effort to expedite the restoration of service in a timely manner, and shall not unreasonably interrupt, withhold or delay service to Customer.





2.4 Raw Water Contract. In accordance with the terms of Fort Worth City Secretary Contract No. 12720 between Fort Worth, the City of Arlington, the City of Mansfield, Trinity River Authority, and the Tarrant Regional Water District, this Agreement shall be deemed subordinate in all respects to the water requirements of the above contracting Parties as specified in Section 3 of that contract.

2.5 Water Use Restrictions and Conservation.

- 2.5.1 If Fort Worth in any way restricts, rations or conserves the use of water throughout its CCN during an Emergency declared by the Director, then within 24 hours of being notified of the action of Fort Worth, Customer shall institute and apply the same restrictions and/or measures as to the use of the water by the customers of Customer.
- 2.5.2 If Fort Worth in any way restricts, rations or conserves the use of water throughout its CCN as authorized by the then Fort Worth City Council and adopted by ordinance, then Customer agrees to institute, apply and enforce the same rationing, conservation measures, or restrictions to the use of water by the customers of Customer for so long as any part of the total water supply of the Customer is being furnished by Fort Worth. Customer shall submit to Fort Worth, within sixty (60) days of the action taken by the City Council of Fort Worth, a copy of the Customer's city council and/or governing board resolution and/or ordinance adopting the same measures as Fort Worth.
- 2.5.3 If Customer fails to comply with its obligations under this § 2.5 then, in addition to the remedies available under Article 17, Fort Worth may install or adjust any rate of flow controllers necessary to physically achieve compliance, regardless of whether the rate of flow controller to be installed or adjusted is on Fort Worth's or Customer's side of the meter.

2.6 Requirements of 30 Tex. Admin. Code Chapter 288 ("Ch. 288").

- 2.6.1 As required by 30 Tex. Admin. Code § 288.5(1)(G), this Agreement requires Customer to develop and implement a water conservation plan or water conservation measures using the applicable elements of Tex. Admin Code Ch. 288.
- 2.6.2 As required by 30 Tex. Admin. Code § 288.22(a)(8), this Agreement requires that, in case of a shortage of water resulting from drought, the water to be distributed shall be divided in accordance with Texas Water Code § 11.039.
- 2.6.3 To the extent that Customer fails to comply with § 2.5 above or meet any additional requirements under 30 Tex. Admin. Code Chapter 288, Customer agrees to implement and comply with Fort Worth's water conservation plans and measures and drought contingency plan until the Customer's own plans and measures are brought into compliance.



2.7 Consultation with WCAC. Except when the Director determines that emergency conditions require short-term restriction, conservation or rationing to meet all necessary water demands, Fort Worth agrees to consult with the Wholesale Customer Advisory Committee, in the development of any restriction, conservation, rationing, or drought contingency plans that the Director determines may be necessary to address operational constraints, whether or not required by any state or federal regulatory agency, or deemed advisable by the Wholesale Customer Advisory Committee to manage long term System Costs, except where emergency conditions may dictate short-term restriction, conservation or rationing requirements as may be determined by the Director to meet all necessary water demands.

### ARTICLE 3. Location and Maintenance of Measuring Devices

3.1 Metered Water. All water furnished under this Agreement by Fort Worth shall be measured by one or more suitable meters equipped with continuous flow, chart recording devices, and telemetering equipment connected with the Fort Worth control center. All meters, recording devices, telemetering equipment and appurtenances (including any flow control equipment required by § 7.2) shall be approved and installed by Fort Worth. Customer shall pay for the meter vault and all metering equipment, including telemetering equipment to the Fort Worth control center, and appurtenances, plus the installation cost thereof. Fort Worth shall pay all costs associated with the operation and maintenance of said equipment and shall pay for the replacement of said equipment as necessary. Such costs, as well as charges for the telelink line and microwave transmitter and the power to operate same, shall be a System Cost.

3.2 Point(s) of Delivery. The point or points of delivery of treated water by Fort Worth shall be the meter vault connection to Customer's side of the meter, and all necessary mains and distribution facilities from and beyond that point shall be the responsibility of Customer. The location of each meter shall be mutually agreed upon in writing by and between the Parties and the meter or meters shall not be moved or relocated except by mutual consent in writing by the Parties.

3.3 Cost of New or Additional Connections. Customer shall pay the cost of each new, enlarged or additional Customer connection to the Fort Worth System, including the cost of the wholesale meter and the Customer's proportionate share of any improvements required for that connection or related service to be provided at the delivery point. The Customer's cost shall be calculated in the same manner as the "developer's cost" for special facilities, including pipelines under Fort Worth's then-existing Water and Wastewater Installation Policy, as determined by the Director. The Customer will pay that amount to Fort Worth before making the new or additional connection to the Fort Worth System, and the amount shall not be a System Cost.

3.4 Check Meter. Either Party, at its own expense, may install a check meter to check or measure the volume of water passing the master meter, provided that, if such check meter is installed, the same rules and regulations relative to its operation, maintenance and reading shall apply as to the master meter being tested.



#### ARTICLE 4. Meters

4.1 Testing. Fort Worth shall routinely test for accuracy, and service and calibrate if necessary, the master meter at each point of delivery no less than once during each twelve (12) month period. Copies of the results of such calibration and all related information shall be provided to Customer. Customer shall have access to the metering facilities at all reasonable times; provided, however, that any reading, calibration or adjustment to such metering equipment shall be done by employees or agents of Fort Worth, or other mutually approved third party calibration agent, in the presence of representatives of Customer and Fort Worth, if so requested by Customer. Notification of any proposed test shall be provided to the Customer at least seventy-two (72) hours prior to such test being conducted and Customer may observe such test, if so desired.

4.2 Corrections. Upon any calibration of a Wholesale Customer's meter, if it is determined that the accuracy envelope of such meter is found to be lower than ninety-five percent (95%) or higher than one-hundred-five percent (105%) expressed as a percentage of the full scale of the meter, the registration of the flow as determined by such defective meter shall be corrected for a period extending back to the time such inaccuracy began, if such time is ascertainable; or, if such time is not ascertainable, then for a period extending back one-half (1/2) of the time elapsed since the date of the last calibration, but in no event further back than a period of six (6) months. All meters will be properly sealed, and the seals shall not be broken unless representatives of both Parties have been notified and given a reasonable opportunity to be present. If the meter, after testing, is found to be in error outside the parameters established in this Agreement, the amounts due to or due from Fort Worth shall be determined based upon the prevailing wholesale rates which were in effect at the time the meter was determined to be malfunctioning. The amount due to or due from Fort Worth shall be payable within thirty (30) days from the date of receipt of the invoice for said amounts by Fort Worth or by Customer. In addition, the Wholesale Customer's volume and rate of use records shall be corrected, as determined by the meter testing.

4.3 Requested Testing. Customer shall have the right to request Fort Worth to test any meter(s), but no more frequently than quarterly. Upon any such request, Fort Worth agrees to perform its testing and calibration of the meter(s) with notice to Customer, and the Parties shall be entitled to jointly observe any testing, calibration, and adjustments that are made to the meter(s), in the event such modifications are necessary. For such additional testing request, Fort Worth shall give Customer notice forty-eight (48) hours in advance of the time when that testing will occur. Customer shall pay the cost of the additional test requested for any meter(s) if the test shows that the meter(s) is accurate (within five percent (5%) registration), but Fort Worth shall pay the costs of the additional test if the results indicate that the meter(s) is not accurate (in excess of five percent (5%) registration).

4.4 Out of Service Meter. If any meter used to determine the flow of treated water to Customer is out of service or out of repair so that the amount of water metered cannot be ascertained or computed from reading the meter, then the water delivered during the period that the meter is out-of-service or out of repair shall be estimated and agreed upon by the Parties upon the basis of the best data available. The basis for estimating such flow includes, but is not limited to, extrapolation of past patterns of flow for that metering station under similar



conditions. If the Parties cannot agree on the extrapolated estimate of water volume delivered, then agreement on the flow volume will be determined by § 22.6 dispute resolution.

#### ARTICLE 5. Meter Reading and Billing

5.1 Reading Meters. Fort Worth will read all meters provided for herein at monthly intervals, and the Parties shall have free access to read these respective meters daily, if either Party so desires. Each Party has the duty to give immediate notice to the other of any meter that it finds is not functioning properly. Upon such notice, repairs to such meter shall be made promptly.

5.2 Records. All readings of meters will be entered into the records maintained by Fort Worth. Customer shall have access to such records during reasonable business hours and shall be furnished with monthly readings for each point of delivery metering facility.

5.3 Multiple Meters. If Customer has more than one point of connection to the Fort Worth System, the sum of all meter readings and rates of flow shall be used for the purpose of calculating the water Volume Charge and the Rate of Use Charge.

5.4 October Billing. A review of water usage amounts by Customer for the past twelve (12) months shall be made during the presentation of the October bill each year. The October statements shall be prepared so as to reflect any and all Rate of Use Charges for the Fiscal Year just ended which have not been previously billed and paid. A copy of the rate of flow charts or other records showing the Maximum Day Demand and the Maximum Hour Demand for the Fiscal Year just ended shall be furnished to Customer with the October billing.

5.5 Billing and Payment. Bills for water service shall be rendered to Customer monthly by Fort Worth, and shall be due and payable by Customer not more than thirty (30) days from the billing date. The bills will show current charges, as well as past-due charges, if any. Past-due charges shall be the total amount unpaid from all prior billings as of the current billing date. Payments received by Fort Worth shall first be applied to the past-due charges, if any, and thereafter to the current charges.

5.6 Billing Disputes. If Customer disputes a bill and is unable to resolve the difference informally, Customer shall notify the Director in writing. If the Director and Customer are unable to resolve the disputed bill, agreement on the bill will be determined by § 22.6 dispute resolution procedures. Dispute of a bill shall not be grounds for non-payment. If a bill or other payment is not paid as specified in this Agreement, a finance charge of ten percent (10%) per annum will be calculated from the date which the payment was required to be made. If a billing adjustment is agreed upon or otherwise established by dispute resolution, then the amount found to be incorrect will be credited to Customer's account together with an interest charge of ten percent (10%) per annum calculated from the date payment of the disputed bill was received.

#### ARTICLE 6. Rates

##### 6.1 Method of Rate Determination.

6.1.1 Wholesale water rates will be based upon an annual cost-of-service rate study with a rate study conducted every three years by an independent utility rate





consultant as provided for in § 6.1.4. The independent utility rate consultant shall be selected by the Director from a list of five qualified firms submitted to the Director by the Wholesale Customer Advisory Committee. The cost of any such study shall be a System Cost. All cost-of-service studies shall be conducted utilizing the utility cost basis of determining revenue requirements applicable to the wholesale customer class.

- 6.1.2 The System Cost (i.e., the cost-of-service for the wholesale class) shall include allocated reasonable and necessary operation and maintenance expense; depreciation expense; a fair and reasonable return on allocated capital facilities as provided in § 6.1.3; general and administrative costs; commodity charges including the Raw Water Charge; the cost of treated water; transmission losses; Street Rental (calculated as provided in § 1.25); and Payment In Lieu of Taxes ("PILOT" calculated as provided in Exhibit D). To determine the allocation and distribution of costs to the wholesale customer class, the independent utility rate consultant shall consider at least the following factors: total volume, rate of flow, metering, and customer related costs such as accounting, billing, and monitoring. Capital related costs will consist of depreciation expense and return on original cost rate base. The "rate base" shall consist of all allocated capital facilities, net of depreciation and contributions, and shall include construction work in progress, a reasonable allowance for working capital, and a reasonable inventory of materials and supplies necessary for the efficient operation of the Fort Worth System. The methodology shall be that used in the most recent wholesale water rate study completed and approved by the Fort Worth City Council before the Effective Date, which Customer acknowledges having received prior to executing this Agreement. Records of the original cost and the accumulated depreciation of all capital facilities shall be maintained in the Fort Worth Fixed Asset Tracking System. These records shall be available for inspection at the Fort Worth Water Department during reasonable business hours upon request by Customer.
- 6.1.3 Fort Worth shall be allowed to earn and recover in rates a rate-of-return on the rate base as described in § 6.1.2. That rate of return shall be equal to the weighted average imbedded cost of outstanding debt plus one and one-half percent (1-1/2%). The parties agree that this rate of return is reasonable.
- 6.1.4 For the Fiscal Years beginning October 1, 2011, 2014, 2017, 2020, 2023 2026 and 2029, a detailed wholesale water rate study will be performed by an independent utility rate consultant selected by the Director in conformance with § 6.1.1. The same methodology used in the immediate previous rate study will be utilized by the rate consultant so selected. In the interim Fiscal Years between detailed rate studies, Fort Worth will adjust wholesale water rates annually, using the same methodology as the last detailed rate study, and will utilize the actual operating data for the twelve (12) month period ending September 30<sup>th</sup> of the prior year, adjusted for all known and measurable changes in cost data that may have occurred since the last audited financial statement. Such adjustments should allow for year-end trending and the spreading of non-recurring expenses over an appropriate benefit period.



- 6.1.5 Changes in the wholesale water rate methodology will be allowed if recommended by a majority vote of the Wholesale Customer Advisory Committee and approved by the Fort Worth City Council. For purposes of this § 6.1.5, a majority is defined as any combination of Fort Worth wholesale customers that took more than fifty percent (50%) of the wholesale water delivered by Fort Worth during the immediate past Fiscal Year.

6.2 Rates to be Used.

- 6.2.1 The rates and charges to be effective upon approval of this Agreement shall be those calculated by the most recent cost of service study and adopted by the Fort Worth City Council to take effect during the current Fiscal Year.
- 6.2.2 The Raw Water Charge shall be increased or decreased when the raw water cost paid by Fort Worth for water available for treatment and sale to Customer is increased or decreased as determined by the Tarrant Regional Water District in accordance with Fort Worth City Secretary Contract No. 12720.
- 6.2.3 The Parties agree that services obtained pursuant to this Agreement are essential and necessary to the operation of Customer's waterworks facilities and that all payments made by Customer hereunder shall constitute reasonable and necessary operating expenses of Customer's waterworks and wastewater systems within the meaning of § 1502.056 of the Texas Government Code, and the provisions of any and all ordinances of Customer authorizing the issuance of any revenue bonds of Customer which are payable from its waterworks and wastewater systems.
- 6.2.4 Customer agrees, throughout the term of this Agreement, to fix and collect such rates and charges for water service to be supplied as will produce revenues in an amount equal to at least (i) all of operation and maintenance expenses of such system, including specifically its payments under this Agreement; and (ii) all other amounts as required by law and the provisions of the ordinances or resolutions authorizing its revenue bonds or other obligations now or hereafter outstanding, including the amounts required to pay all principal of and interest on such bonds and other obligations.
- 6.2.5 Customer understands that Fort Worth City Council has the right to annually revise the rates charged to cover all reasonable, actual, and expected costs. Revision of rates shall be pursuant to the provisions set forth in this Agreement. Fort Worth shall give Customer a minimum of six (6) months notice of intent to revise rates. Fort Worth will furnish members of the Wholesale Customer Advisory Committee a draft copy of the cost-of-service study of the proposed rates sixty (60) days prior to Fort Worth submitting a rate increase request to its City Council. Within thirty (30) days of receiving the draft study, the Wholesale Customer Advisory Committee will submit its written comments on the draft study to Fort Worth, and Fort Worth will respond to these comments as soon thereafter as possible. If the Wholesale Customer Advisory Committee has not provided its written comments within said period, the Wholesale Customer



Advisory Committee is deemed to have accepted the proposed rates contained in the draft study, and Customer agrees that it will be bound by the rates as approved by the Fort Worth City Council. The rates approved by the Fort Worth City Council shall be the rates to be used in this Agreement for the succeeding Fiscal Year.

#### ARTICLE 7. Payment for Water

Payment of charges to Fort Worth for water used by Customer shall be made as follows:

7.1 Annual Payment. The annual payment will be the charges computed based on all water delivered by Fort Worth to Customer during the current Fiscal Year at rates set pursuant to this Agreement. For purposes of calculating the annual payment, the current year will be the Fiscal Year during which the water usage occurred. However, the minimum annual payment will be the greater of the following:

- 7.1.1 the current Fiscal Year Volume Charge times the current Fiscal Year Annual Consumption, plus the Service Charge, plus the current Fiscal Year Rate of Use Charges (Exhibit C, Example 1); or
- 7.1.2 the current Fiscal Year Volume Charge times the current Fiscal Year Annual Consumption, plus the Service Charge, plus the current Fiscal Year Rate of Use Charges applied to the average of the Maximum Day Demand above Average Daily Use and the average of the Maximum Hour Demand above Maximum Day Demand for the most recently completed three (3) Fiscal Years (to include the current Fiscal Year) (Exhibit C, Example 2); or
- 7.1.3 if applicable to Customer, a Stand-by Charge equal to:
  - (a) twelve (12) months;
  - (b) times the total number of EM units for all of the Customer's wholesale meters connected to the System;
  - (c) times 28,800 gallons per day;
  - (d) times a dollar amount equal to a three (3) year numerical average of the Treatment, Pumping and Transmission Charge per 1,000 gallons, using the Treatment, Pumping and Transmission Charge from most recent annual cost-of-service rate study performed by the independent utility rate consultant as provided in § 6.1.4 and the two years prior to the year of that study. This dollar average will remain in effect for purposes of calculating this § 7.1.3 Stand-by Charge until the next cost-of-service rate study is performed by an independent utility rate consultant as provided in § 6.1.4.

Exhibit B presents an example calculation of the Stand-by Charge.



7.2 Withdrawal Rate. The rate at which water is withdrawn from the Fort Worth System by Customer shall be regulated by rate-of-flow controllers, pumps, or other approved methods. The rate of withdrawal shall be controlled so that the maximum rate shall not exceed 1.35 times the Maximum Day Demand experienced during the previous year unless Customer has notified the Director at least (6) months before the date of the anticipated increase in the Maximum Day Demand; provided, however that in an Emergency such as a line break, Customer shall advise the Director within 24 hours of the increase in the maximum rate of withdrawal. Customer shall furnish the Director with all pertinent information regarding the proposed increase in maximum rate of withdrawal. The Director may waive the notice requirement if, in his sole opinion, that notice is not necessary to protect the interests of Fort Worth.

7.3 Monthly Payments. The monthly payment will be the sum of (a) plus (b) plus (c):

(a) the greater of:

- (i) one-twelfth (1/12) of the amount calculated in § 7.1; or
- (ii) the Volume Charge times the actual volume of water taken that month;

(b) one-twelfth (1/12) of the sum of the annual Rate of Use Charges, determined as provided in § 7.5 and **Exhibit C**; and

(c) one-twelfth (1/12) of the sum of the Fiscal Year Service Charge.

7.4 Total Annual Payments. The total annual payment for water delivered to Customer shall be based on the annual and peak volumes delivered to Customer during the Fiscal Year, as determined by meters, flow recording devices or other approved methods, and calculated as provided in the annual payment provisions set forth above and in **Exhibits B and C**. The October monthly payment for September's usage shall contain any adjustments necessary to update the Rate of Use Charge calculations as necessary to recover the Annual Payment for the Customer's actual withdrawals from the Fort Worth System (including Rate of Use Charges for Maximum Hour and Maximum Day Demands) for the Fiscal Year just ended, during which the water usage occurred. **Exhibit C** provides examples of the Annual Bill Calculation.

7.5 Rate of Use Charge. As provided in §§ 7.1, 7.3 and 7.4 and shown in **Exhibit C**, Monthly Payments and the Annual Payment shall include Rate of Use Charges, unless the Stand-by Charge applies. The Rate of Use Charges consist of:

(a) Maximum Day Rate of Use Charge, calculated by multiplying the "Excess Max Day Charge" per MGD from the annual cost-of-service rate study, times the Maximum Day Demand (in MGD) in excess of Average Daily Use (in MGD); and

(b) Maximum Hour Rate of Use Charge, calculated by multiplying the "Excess Max Hour Charge" per MGD from the annual cost-of-service rate study, times the Maximum Hour Demand (expressed as MGD) in excess of Maximum Day Demand (in MGD).

**Exhibit C** presents example Rate of Use Charge calculations. Rate of Use Charges are estimated by applying the current Fiscal Year Excess Max Day and Excess Max Hour Charges to the prior Fiscal Year's Maximum Day Demand, Maximum Hour Demand and Average Daily Use in the October through September bills, with adjustments in the October bill as necessary to recover the





Annual Payment based on the Customer's actual withdrawals (including Rate of Use Charges for Maximum Hour and Maximum Day Demands) for the Fiscal Year just ended, during which the water usage occurred.

7.6 Applicability of Stand-by Charge. Customer is subject to the Stand-by Charge if the amount of the Stand-by Charge is the greater of the Annual Payment options listed in § 7.1. Customer is a Stand-by Customer if it receives water from the System for Emergency use only, and the Director has approved that use. A Stand-by Customer's obligations under this Agreement include the requirements of § 3.1 for the location, approval and installation of meters. By execution of this Agreement and approval of the Stand-by service meter, Fort Worth agrees to provide the wholesale Emergency service through the approved meter to the Stand-by Customer, subject to the terms of this Agreement; however, notwithstanding § 2.1, delivery of water to a Stand-by Customer is subordinate to Fort Worth's other delivery obligations. Further, this Agreement does not grant or imply that the Standby Customer has reserved any water service, capacity or delivery from the System, other than for Emergency use as provided in this § 7.6. Any change in the Stand-by Customer's use from Emergency to non-Emergency must be approved in writing by the Director. Unless otherwise agreed in writing by Customer and Director, the Stand-by Customer is not required to pay the Impact Fees required by Article 16 until it requests or takes deliveries of water from the System that exceed the approved Emergency use.

#### ARTICLE 8. Effective Date

The effective date and time of this Agreement for all purposes is January 1, 2011 at 12:01 a.m. Upon the Effective date, the wholesale water service agreement then in effect between Fort Worth and the Customer is terminated and superseded by this Agreement.

#### ARTICLE 9. Term

This Agreement expires on September 30, 2031. It may be renewed on terms mutually agreeable to the Parties.

#### ARTICLE 10. Rights-of-Way

Customer shall grant, without charge to Fort Worth, such easements and rights-of-way along public highways or other property owned by Customer, as requested by Fort Worth, in order to construct or maintain mains or facilities within the Customer's Service Area to provide water to Customer and to other areas. Upon notice from Customer and at Fort Worth's expense incurred as a System Cost, Fort Worth will move such water mains or facilities located in such street rights-of-way, or other property owned by Customer when reasonably necessary to the performance of essential governmental duties by Customer. Fort Worth shall grant, without charge to Customer, such easements and rights-of-way along public highways or other property owned by Fort Worth, as requested by Customer, in order to construct and maintain water mains or facilities within Fort Worth to provide water to Customer. Upon notice from Fort Worth and at Customer's expense, Customer will move such water mains or facilities when located in such street rights-of-way or other property owned by Fort Worth when reasonably necessary to



performance of essential governmental duties by Fort Worth. All work done by or on behalf of Fort Worth under this paragraph will be performed in accordance with specifications equal to those applying to work of a similar nature performed within Fort Worth, and the applicable Party will use its best efforts to restore the others property to as near original condition as feasible unless otherwise mutually agreed in writing. Fort Worth and Customer agree to coordinate the location of the mains and/or facilities in the other's easements and rights-of-way in order to prevent further conflicts insofar as is reasonably practicable.

#### ARTICLE 11. TCEQ Public Water Supply Approval

The Customer System shall be approved by the TCEQ during the life of this Agreement. If, at any time, the Customer System is not approved by the TCEQ, or if Customer does not have an active cross-connection control program, there shall not be any direct physical connection between the Fort Worth System and the Customer System unless an approved backflow prevention device has been provided and installed and this installation has been approved by the TCEQ. All expenses to provide and install backflow prevention device(s) will be borne by Customer.

#### ARTICLE 12. Resale of Water

12.1 Outside Service Area. Customer agrees that it will not share facilities for water system use with any other governmental or corporate entity outside of Customer's Service Area without the express written consent of Fort Worth, which consent shall not be unreasonably withheld. Fort Worth neither recognizes nor approves any existing agreements entered into by Customer with other governmental or corporate entities outside of Customer's Service Area, unless expressly approved in writing by the Director before the Effective Date.

12.2 Exceptions. Only those existing connections outside of the Customer's Service Area shown in **Exhibit E** may continue. Customer agrees that it will not enter into any resale or transportation agreement other than as a part of its normal offering and supply of water to existing and future subscribers to its Customer System without the recommendation of the Wholesale Customer Advisory Committee and express written consent of Fort Worth.

#### ARTICLE 13. Sanitary Sewer Facilities

The Customer agrees that it will require all of its customers, who are provided water from the Fort Worth System, to have adequate sanitary sewage facilities meeting TCEQ requirements.

#### ARTICLE 14. Additional Wholesale Customers

Fort Worth will use its best efforts to provide an adequate water supply for all of its customers. Prior to the approval of additional wholesale customers, Fort Worth will obtain in writing reasonable assurances from the Tarrant Regional Water District that the projected ten (10) year water demands of the then-existing wholesale customers being served and any proposed additional customers can be fulfilled, and will charge the new customer an appropriate connection fee pursuant to § 3.3. Fort Worth will consult with the Wholesale Customer



Advisory Committee and the Tarrant Regional Water District before contracting with additional new wholesale water customers.

#### ARTICLE 15. Wholesale Customer Advisory Committee

Customer's governing body shall annually appoint a representative to be a voting member of the Wholesale Customer Advisory Committee, whose purpose shall be to consult with and advise Fort Worth, through the Director, on matters pertaining to conservation, wholesale planning, improvements, grants, wholesale rate studies, administration, budgets, and additional wholesale customers, whether same be wholesale customers of Customer or Fort Worth. The Wholesale Customer Advisory Committee may establish bylaws governing the election of officers, meeting dates and other matters pertinent to its functioning.

#### ARTICLE 16. Impact Fees

16.1 Calculation and Payment of Impact Fees. On a quarterly basis, Customer agrees to pay to Fort Worth an Impact Fee for each new or enlarged connection for water service made within Customer's Service Area served by the Fort Worth System. The Impact Fee to the Customer for each such connection shall be based upon the size of water meter and shall be equal to the Impact Fee adopted by Fort Worth and collected for the same size water meter and type of connection within the jurisdiction of Fort Worth. The calculation of the Impact Fee shall be consistent with the Fort Worth ordinance adopting the Impact Fee in accordance with all applicable state and federal regulations, including Chapter 395, and shall include only those costs allowed under § 395.012 (or its amended or successor statute) that are associated with Capital Improvements necessary to provide service to new development. Nothing within this Agreement shall be deemed to prevent either Fort Worth or Customer from charging their own retail customers' Impact Fees in excess of the Impact Fee authorized by this Agreement.

16.2 Multiple Surface Water Providers. If Customer receives surface water from more than one water provider for use by potable water customers within its Service Area, then the Customer's impact fees due to Fort Worth shall be proportionately reduced. The charge will be a fractional part of the Impact Fee imposed within Fort Worth for the same size of meter based on the ratio of the annual amounts of water purchased from Fort Worth to the total annual combined amount of surface water purchased from Fort Worth and the Customer's other surface water provider(s). For purposes of calculating this fractional part, this ratio will be the greater of the most recent prior annual ratio or the most recent 3 year average ratio occurring after the first Fiscal Year after the Effective Date.

16.3 Use of Impact Fees. As required by Chapter 395, Fort Worth agrees that all money remitted to it pursuant to this Article 16 will be placed in an interest bearing account to pay only for the cost of constructing Capital Improvements included in the Chapter 395 capital improvements plan, and will not be used for operation and maintenance expenses. Once expended, such funds and all interest earned thereon will be considered a "contribution" for rate setting purposes only. To the extent that the cost of any Capital Improvement is recovered through Impact Fees, it shall not be included in the System Cost.



16.4 Impact Fee Report. Customer shall provide to Fort Worth information that relates to the making of new and/or enlarged connections within its jurisdiction as may be requested by the Director, including building permits, with each quarterly payment required in this Article 16.

16.5 No Waiver. Neither Fort Worth nor Customer shall waive any Impact Fee due from new or enlarged connections to its respective system within its jurisdiction. However, either Fort Worth or Customer may pay such Impact Fee into the interest bearing Impact Fee account required by § 16.3.

16.6 CIFC. The Wholesale Customer Advisory Committee created pursuant to Article 15 shall select five (5) of its members to a subcommittee to be known as the Customer Impact Fee Committee ("CIFC"). As required by Texas Local Government Code § 395.052, at least every five (5) years, beginning June, 2014, or sooner, Fort Worth will update the land use assumptions and capital improvements plan upon which the Fort Worth Impact Fees are based, or make the determination under Chapter 395 that no update is required. Fort Worth shall submit a copy of the annual report of Fort Worth Impact Fee projects and expenditures to the Wholesale Customer Advisory Committee Rate Subcommittee. In June 2014 and at least every five years thereafter, the CIFC shall submit a list of five qualified engineers or planning consultants to the Director. The Director shall select a consultant from such list to assist Fort Worth in developing land use assumptions, identifying capital improvements, and formulating capital improvement plans and Impact Fees. The consultant shall be responsible to Fort Worth and its citizen's advisory committee, but shall also report to the CIFC. The cost of the consultant shall be deemed a System Cost, except to the extent that such cost is recovered through Impact Fees. If the CIFC fails to submit a list of five consultants to Fort Worth, Fort Worth shall select the consultant.

16.7 Capital Improvements Plan. Fort Worth agrees that only the Capital Improvements as defined in § 1.4 shall be included in the capital improvements plan for the purpose of determining Impact Fees; provided however, Fort Worth may include other capital improvements for the purpose of determining Impact Fees to its own retail customers. Fort Worth shall not be required to include all of its capital improvements in its Chapter 395 capital improvements plan. The CIFC shall be responsible for working with Fort Worth and its consultants to determine the Capital Improvements to be included in the calculation of any Impact Fees. The CIFC shall recommend to the Wholesale Customer Advisory Committee which Capital Improvements should be included in the calculation of any Impact Fees. The CIFC shall also meet with Fort Worth's citizen advisory committee as such citizen's advisory committee reviews and considers land use assumptions, the capital improvements plan and Impact Fees.

16.8 Dissemination of Documents. Prior to the adoption of any land use assumptions, capital improvements plan, or Impact Fees assessed by Fort Worth, the CIFC shall be furnished a copy of the proposed land use assumptions, capital improvement plans or Impact Fees at least thirty (30) days prior to any scheduled hearing thereon. Any revised Impact Fee adopted pursuant to such updated capital improvements plan shall not take effect for a period of at least ninety (90) days after adoption by Fort Worth.





16.9 Audited Financial Statement. Upon request, Fort Worth shall make available to the Wholesale Customer Advisory Committee the most recent audited financial statement of the Fort Worth Water Department's records.

16.10 Current Impact Fees. Customer agrees to pay Impact Fees in the amounts determined pursuant to this Article 16. On the Effective Date, those impact fees are the Impact Fees most recently adopted by the Fort Worth City Council before the Effective Date. Thereafter the Impact Fees are those in effect by Fort Worth ordinance at the time the new or enlarged connection is made.

16.11 Changes to Chapter 395. Fort Worth and Customer agree that the methodology for the calculation of Impact Fees required by this Agreement shall be consistent with the methodology prescribed by Chapter 395. If that statutory methodology is amended or replaced by a new statute, the Wholesale Customer Advisory Committee may engage legal counsel to work with Fort Worth to propose amendments to this Agreement to conform it to such amendment or new statute. The reasonable cost of such legal counsel shall be a System Cost.

#### ARTICLE 17. Breach, Termination and Other Remedies

17.1 Termination by Mutual Consent. This Agreement may be terminated in whole or in part by the mutual consent of Customer and Fort Worth. Fort Worth's decision on whether to consent to termination remains within its sole discretion; however, before consenting to termination, Fort Worth shall consult with WCAC regarding the circumstances of the proposed termination.

17.2 Termination for Material Breach. Notwithstanding anything in this Agreement to the contrary, any material breach by either Party to perform any of its duties or obligations under this Agreement, or to faithfully keep and perform any of the terms, conditions and provisions of this Agreement, shall be cause for termination of this Agreement by the non-breaching Party in the manner set forth in this § 17.2. Upon such breach, the non-breaching Party may notify the breaching Party of the non-breaching Party's intention to terminate this Agreement if the breaching Party fails to cure such breach within ninety (90) days from the date of the notice. The notice must include a reasonable description of the breach. The non-breaching Party shall notify the breaching Party in writing upon acceptance of the cure of any breach. If by the ninetieth (90th) day the breaching Party fails or refuses to cure such breach pursuant to the terms and conditions of this Agreement, then the non-breaching Party shall have the right to terminate this Agreement with six months additional notice to the breaching Party.

17.3 Termination for Repeated Breach. Upon a second (or any repeated) breach of a similar nature by a Party and irrespective of any cure of such breach, the non-breaching Party may, after six (6) months notice to the breaching Party, terminate this Agreement. That notice must be provided within a reasonable time after the repeated breach that is the basis for the termination.

17.4 Material Breach. The following breach, default or failure to perform a duty or obligation under this Agreement is a material breach:



- a. Failure to comply with §§ 2.5 or 2.6 requirements regarding rationing, conservation measures or restrictions;
- b. Failure to pay any bill, charge, or fee as required by this Agreement, including fees required under Article 16;
- c. Making any connection to the Fort Worth System at any point except as provided in § 3.2;
- d. Failure to correct any potentially hazardous connection in accordance with the terms of Article 11, after notice delivered by certified mail;
- e. Failure to provide Fort Worth ingress and egress for purposes of operation and maintenance of any metering facility;
- f. Failure to provide Fort Worth rights-of-way as required herein; or
- g. Failure to provide Fort Worth an Impact Fee report as required in Article 16.

All other breaches are deemed to be non-material.

**17.5 Notice and Cure.** In the event of a material or non-material breach, default or failure to perform a duty under this Agreement, the non-breaching Party may send a notice of such default to the breaching Party. The notice must include a reasonable description of the breach. If the breaching Party fails to cure the breach, default or failure within 60 days of that notice, then the non-breaching Party may give the breaching Party a second notice of its failure to cure the breach. Failure to cure the breach within 30 days after the second notice shall constitute a repeated breach, and may result in termination of this Agreement as provided in § 17.3 for repeated breach. Fort Worth may, upon breach by a Customer, surcharge the Customer an amount developed and calculated by Fort Worth intended to reimburse Fort Worth for any damages each month, including 10% interest, until Customer cures that breach. Because failure to perform obligations under this Agreement cannot be adequately compensated in money damages alone, the Parties shall have available to them the equitable remedy of specific performance in addition to any other legal or equitable remedy as may be provided by law.

**17.6 Notice and Cure for Nonpayment of Impact Fees.** If the breach is based on the non-payment or underpayment of Impact Fees, then the Customer shall pay Fort Worth the amount of the non-payment or under-payment within 60 days of the notice required by §§ 17.2 or 17.5, plus interest at a rate of 10% of the amount owed, accruing from the time at which the payment was due. An additional charge of \$500.00 will be added if no Impact Fee report was filed.

**17.7 Notice and Cure for Breach of Water Use Restrictions and Conservation.** If Customer breaches §§ 2.5 or 2.6, then the § 17.2 notice provisions do not apply and the Director, in his sole discretion, may, in writing, set such time in which the Customer shall cure the breach. If Customer fails or refuses to cure the breach within the stated time, then Fort Worth shall have the right to declare this Agreement terminated after six (6) months additional notice to Customer.

**17.8 Failure to Provide Notice of Withdrawal Rate under § 7.2.** Failure to provide § 7.2 notice, provided the Director did not waive notice requirements, will be considered a non-material breach of the Agreement and, in addition to other remedies available under this Agreement, shall result in an automatic surcharge in the amount specified in § 17.5 for such non-material breaches of the Agreement, without further notice requirements.



17.9 Effect of Termination. Upon termination of this Agreement under this Article 17, all rights, powers, and privileges of Customer and Fort Worth under this Agreement shall cease and terminate, and neither Party shall make any claim of any kind whatsoever against the other Party, its agents or representatives, by reason of termination or any act incident to termination, if the terminating Party acted reasonably and the termination was not unreasonable, or arbitrary and capricious. If this Agreement is not renewed before it expires, and the Parties are negotiating in good faith regarding the provisions of a new agreement, then the Parties may extend the date for termination, in writing that refers to this § 17.9 and is signed by both Parties. If this Agreement is not renewed, or if the Agreement is terminated by one of the Parties pursuant to this Article 17, then, as authorized by Texas Water Code § 11.036, this Agreement requires the Customer to develop alternative or replacement supplies before the expiration or termination of this Agreement; this requirement may be enforced by the equitable remedy of specific performance, sought by court order, in addition to any other legal or equitable remedy as may be provided by law. No continuation of the service obligation exists or will be implied after expiration or termination.

17.10 No Waiver by Fort Worth. Any failure by Fort Worth to terminate this Agreement, or the acceptance by Fort Worth of any benefits under this Agreement, for any period of time after a material breach, default or failure by Customer shall not be determined to be a waiver by Fort Worth of any rights to terminate this Agreement for any subsequent material breach, default or failure.

17.11. No Waiver by Customer. Any failure by Customer to terminate this Agreement, or the acceptance by Customer of any benefits under this Agreement, for any period of time after a material breach, default or failure by Fort Worth shall not be determined to be a waiver by Customer of any rights to terminate this Agreement for any subsequent material breach, default or failure.

#### ARTICLE 18: Ownership and Liability

18.1 No Joint Venture. No provision of this Agreement shall be construed to create any type of joint or equity ownership of any property, any partnership or joint venture, nor shall same create any other rights or liabilities and Customer payments (whether past, present, or future) shall not be construed as granting Customer partial ownership of, pre-paid capacity in, or equity in the Fort Worth System.

18.2 Liabilities. Liabilities for damages arising from the proper treatment, transportation and delivery for all water provided hereunder shall remain with Fort Worth to the point of delivery and, upon passing through the meter, liability for such damages shall pass to the Customer, save and except that Fort Worth's sole responsibility is to provide to Customer water of a quality which meets state and federal drinking water standards. Each Party agrees to save, release and hold harmless the other Party from all claims, demands, and causes of action which may be asserted by anyone on account of the quality, transportation and delivery while water is in the control of such Party. This covenant is not made for the benefit of any third party. Fort Worth takes the responsibility as between the Parties for the proper treatment, quality, transportation, and delivery of all such water provided by it to the point of delivery.



18.3 Contractors. Agreements made and entered into by either Customer or Fort Worth for the construction, reconstruction or repair of any Delivery Facility shall include the requirement that the independent contractor(s) must provide adequate insurance protecting both the Customer and Fort Worth as co-insured. Such Agreement must also provide that the independent contractor(s) covenant to indemnify, hold harmless and defend both the Customer and Fort Worth against any and all suits or claims for damages of any nature arising out of the performance of such Agreement.

#### ARTICLE 19. Force Majeure

19.1 Notice and Suspension. If by any reason of force majeure either Party shall be rendered unable, wholly or in part, to carry out its obligations under this Agreement, other than the obligation of the Customer to make payments required under the terms hereof, then if such Parties shall give notice and full particulars of such force majeure in writing to the other Party within a reasonable time after the occurrence of the event or cause relied on, 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 such Party shall endeavor to remove or overcome such inability with all reasonable dispatch.

19.2 Definition. The term "force majeure," as employed herein, shall mean acts of God, strikes, lockouts or other industrial disturbances, 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, insurrection, riots, epidemics, landslides, lightning, earthquake, fires, hurricanes, storms, floods, washouts, droughts, arrests, restraints of government and people, civil disturbances, explosions, breakage or accidents to machinery, pipelines or canals, partial or entire failure of water supply, and inability on the part of Fort Worth to deliver water hereunder or the Customer to receive water hereunder on account of any other cause not reasonably in the control of the Party claiming such inability.

#### ARTICLE 20. Notices

20.1 Required Notice. Except in the case of an Emergency, any notice or other communication that is required, given or provided for under this Agreement shall be in writing, and addressed as follows:

To Fort Worth:      Water Director  
                            City of Fort Worth  
                            1000 Throckmorton Street  
                            Fort Worth, TX 76102

To Customer:      Mayor  
                            City of \_\_\_\_\_  
                            Address \_\_\_\_\_  
                            \_\_\_\_\_, Texas 7\_\_\_\_\_





With an additional copy to be given to a Customer representative, if designated in writing by Customer.

20.2 Delivery and Receipt. Notice shall be either (a) delivered personally, (b) sent by United States certified mail, postage prepaid, return receipt requested, (c) placed in the custody of a nationally recognized overnight carrier for next day delivery, or (d) sent via telecopy or facsimile (fax) transmission. Notice shall be deemed given when received if delivered personally or sent via telecopy or facsimile transmission with written confirmation of receipt; forty-eight (48) hours after deposit if sent by mail; and twenty-four (24) hours after deposit if sent by nationally recognized overnight carrier for next day delivery.

20.3 Change of Address Notices. Each Party shall provide notice in writing, as provided in § 20.1 of any change in its address.

#### ARTICLE 21. Inspection and Audit

Complete records and accounts required to be maintained by each Party shall be kept for a period of five (5) years. Each Party shall at all times, upon notice, have the right at reasonable times to examine and inspect said records and accounts during normal business hours; and further, if required by any law, rule or regulation, make said records and accounts available to federal and/or state auditors. The responding Party shall make the records available promptly upon request.

#### ARTICLE 22. Miscellaneous

22.1 Favored Nations. Fort Worth and Customer agree that if Fort Worth should enter into any future Agreement for supplying treated water to any municipality under more favorable terms or conditions than set forth herein, this Agreement shall be amended to provide the same terms and conditions with respect to the sale of treated water to Customer.

22.2 Suspension of Rate of Use Charges. During an Emergency it may be necessary that water be withdrawn from the Fort Worth System at a rate of usage in excess of the Customer's contractually established Maximum Daily Demand and Maximum Hour Demand. It is agreed that extra Rate of Use Charges that would normally be applicable shall not apply for such bona fide emergency withdrawals provided that Fort Worth is notified in writing within forty-eight (48) hours of the occurrence of the Emergency. In any event, the normally applicable Rate of Use Charges the Customer would have incurred had it not been an Emergency, plus the Volume Charges for all water delivered, shall be due and payable as described elsewhere in this Agreement.

22.3 Water to Adjacent Areas. At the request of the Director, Customer agrees to furnish water to areas and premises situated adjacent to the boundary of Customer and within the boundaries of Fort Worth, subject to the Texas Water Code and TCEQ regulations regarding service areas. The metered quantity of water used in this area each month by Fort Worth shall be the total of all individual customer meter readings. At the option of Customer or Fort Worth, a master meter may be installed where practicable at the expense of Fort Worth to meter all water used by Fort Worth under the terms of this § 22.3. The metered quantity of water furnished by



Customer to Fort Worth shall be deducted from the total quantity of water withdrawn from the Fort Worth System by Customer before the charge for water service to Customer is computed in accordance with the payment computations set forth and based on the Volume Charge, the quantity of water so withdrawn from the Fort Worth System and, if the meter serving those customers has been equipped to measure it, Maximum Day Demand and Maximum Hour Demand.

22.4 Subject to Laws and Permits. This Agreement is subject to all applicable federal and state laws and any applicable permits, amendments, orders, or regulations of any state or federal governmental authority having or asserting jurisdiction, but nothing contained herein shall be construed as a waiver of any right to question or contest any such law, order, rule or regulation in any forum having jurisdiction. Customer agrees to abide by any changes in this Agreement made necessary by any new, amended, or revised state or federal regulation; however the Parties may not enact rules or laws that conflict with this Agreement.

22.5 Entry on Customer's Premises. Upon prior notice by the Director, Customer shall allow any duly authorized employee of Fort Worth who presents proper credentials to access any premises located within Customer's Service Area or served by Customer as may be necessary for the purpose of inspections and observation, measurements, sampling and testing and/or auditing, in accordance with the provisions of this Agreement. Customer may elect to accompany the Fort Worth representative. To the extent permitted by law, Fort Worth agrees to be responsible to Customer for any damage or injury to person or property caused by the negligence of such duly authorized employee while such employee is in the course and scope of their employment.

22.6 Alternative Dispute Resolution.

22.6.1 The parties shall endeavor, but only to the extent permitted by applicable law and at no additional cost to Customer, to settle all disputes arising out of or relating to this Agreement by amicable negotiations.

22.6.2 Any and all disputes arising out of or relating to this Agreement that cannot be resolved informally will be submitted to mediation. The place of mediation shall be in Tarrant County, Texas. A mediator shall be jointly agreed to by both Parties, and the mediator selected shall have expertise in the sale and supply of treated water. Either Party may apply for injunctive relief until the mediation decision is rendered or the controversy is otherwise resolved. Either party may, without waiving any remedy under this Agreement, seek from any court having jurisdiction any interim or provisional relief that is necessary to protect the rights or property of that Party, pending the mediator's determination of the merits of the controversy. Each Party shall initially bear its own costs and expenses; however, unless otherwise agreed in mediation, Fort Worth's costs in mediation, including expenses, reasonable attorneys' fees and other costs, shall be a System Cost. Nothing occurring during mediation shall be considered evidence in court.

22.6.3 If mediation is not successful, either Party may commence litigation to resolve the dispute. Fort Worth's litigation costs shall be a System Cost.



22.7 Information. If requested by the Director, Customer shall provide quarterly the following data or information:

22.7.1 Actual number of customer accounts consuming directly or indirectly from the Customer System within Customer's Service Area;

22.7.2 Classification of domestic and nondomestic accounts within its Customer's Service Area by number and percentage of accounts consuming directly or indirectly from Customer System within its Customer's Service Area;

22.7.3 Customer water usage from all sources other than the Fort Worth System, including ground water, other surface water, and water supply agreements with other entities; and

22.7.4 Additional data which may assist Fort Worth and/or Customer in developing methodology for cost of service studies, planning studies for analyzing federal grants, and Impact Fees; provided, however, that neither Party shall request data that will require either Party to incur unreasonable expenses in providing such data.

22.8 Assignment. Customer may not assign this Agreement without the prior written consent of Fort Worth. Fort Worth may not assign this Agreement without the prior written consent of Customer, except that if Fort Worth's water utility is designated as a regional water agency by a duly authorized regulatory body, or if Fort Worth elects to contract with or assign this Agreement to a regional water authority or utility to provide all or part of the services covered by this Agreement, the Customer hereby agrees and grants Fort Worth the right to assign this Agreement under the following conditions. The regional water authority or utility shall assume and receive the same obligations, responsibilities and benefits as Fort Worth, and Fort Worth or the regional authority or utility will notify the Customer of such assignment at least ninety (90) days prior to its effective date.

22.9 No Waiver. No waiver by either Party of any term or condition of this Agreement, or failure to give notice of any breach, shall be deemed or construed to be a waiver of any other term or condition or subsequent waiver of the same term or condition.

22.10 VENUE. THE PARTIES AGREE THAT THIS AGREEMENT IS PERFORMABLE IN TARRANT COUNTY, TEXAS AND THAT THE COURTS OF TARRANT COUNTY ARE A PROPER FORUM FOR THE DETERMINATION OF ANY DISPUTE ARISING UNDER THIS AGREEMENT.

22.11 Construction. As used in this Agreement, the term "including" means "including without limitation," the words "shall" and "will" are mandatory and the word "may" is permissive, and the term "days" means calendar days, not business days. Wherever required by the context, the singular shall include the plural, and the plural shall include the singular.

22.12 Severability. If any term or provision in this Agreement is held to be invalid or unenforceable by any legislative act or court of competent jurisdiction, and the extent of such invalidity or unenforceability does not cause substantial deviation from the underlying intent of the parties as expressed in this Agreement, then such invalid or unenforceable provision shall be



deemed severed from this Agreement without invalidating the remainder of this Agreement, and a new provision shall be deemed substituted in lieu of the provision severed, which new provision shall, to the extent possible, accomplish the intent of the parties as evidenced by the provision severed, and without affecting any other term or provision in this Agreement.

22.13 Use of Return Water. Customer agrees that Fort Worth has the right to own and to use or sell any Return Water. Customer will not seek or receive any compensation, credit, or offset from Fort Worth for making the Return Water available to Fort Worth through discharges into Fort Worth's wastewater collection and treatment system(s), and agrees that it will not provide water service under any ordinance or agreement that conflicts with Fort Worth's rights under this § 22.13.

22.14 System Regulatory Actions. Customer agrees, upon the request of Fort Worth, to give reasonable consideration to supporting Fort Worth, and shall not oppose Fort Worth, on any permit applications or governmental approvals related to the Fort Worth System.

22.15 Additional Contract Terms. Additional contract terms that apply to the Customer, but not Fort Worth's other wholesale customers, are contained in **Exhibit F** "Additional Terms."

22.16 Exhibits. All exhibits attached to this Agreement are incorporated into this Agreement by reference, for all intents and purposes of this Agreement, as follows:

Exhibit A	Customer Service Area and mutually agreed point(s) of delivery on the Effective Date.
Exhibit B	Stand-by Charge (Example Calculation)
Exhibit C	Example of the Annual Bill Calculation
Exhibit D	Calculation of PILOT and Cost of Service Revenue Requirement to Recover the Cost of Pilot
Exhibit E	Map of Existing Connections Outside Customer's Service Area [if any].
Exhibit F	Additional Terms [if any]

[THIS SPACE INTENTIONALLY BLANK]





IN TESTIMONY WHEREOF, after proper action by the respective governing bodies of the Parties, this Agreement has been executed in quadruplicate copies, each of which is considered to be an original.

ATTEST:

CITY OF FORT WORTH

\_\_\_\_\_  
City Secretary, City of Fort Worth

By: \_\_\_\_\_  
Assistant City Manager  
City of Fort Worth

APPROVED AS TO FORM AND LEGALITY:

\_\_\_\_\_  
City Attorney, City of Fort Worth  
Date: \_\_\_\_\_

APPROVAL RECOMMENDED:

\_\_\_\_\_  
Director  
City of Fort Worth Water Department

ATTEST:

CUSTOMER CITY OF HASLET

Deanne M. (ma)  
Interim Secretary, City of Haslet

By: Bob Golden mayor

APPROVED AS TO FORM AND LEGALITY:

Adm. Sec.  
Attorney

Date: 8/2/10

APPROVAL RECOMMENDED:

David Rogers  
Print Name: DAVID ROGERS  
Title: Community Development Director



## EXHIBIT B

### SECTION 7.1.3

#### Stand-by Charge Example Calculation

##### 1) Stand-by Charge Calculation Inputs:

- 10 inch meter = 210 EMs
- 1 EM = .20 Gal per Minute X 60 Minutes per Hour X 24 Hours per Day or 28,800 Gallons per Day
- Does not include Cost of Raw Water

3-Year Average Treatment, Pumping and Transmission Charge (\$/1,000 Gals) Calculation:

FY05	FY06	FY07
\$0.5398	\$0.6829	\$0.6291

Three Year Average \$0.6173

##### 2) Stand-by Charge Calculation:

Monthly Standby Charge = 28,800 Gallons per Day X 210 EM X \$0.6173 per 1,000 Gallons or \$3,733 per Month.

Annual Standby Charge = 12 Months X \$3,733 per Month or \$44,801.



## STANDBY CHARGE

### ASSUMPTION AND DEFINITIONS:

The Minimum Standby Charge is based on the maximum amount of water a connection could draw in a 24-hour period.

The calculation assumes that any usage would be temporary and of an emergency basis.

The calculation is also based on the number and size of each connection.

The Transmission Charge is the 3-year average for that charge as calculated in the most recent independent cost-of-service study.

Reserved Capacity is defined as the maximum amount of water a connection could draw in a 24-hour period.

"Equivalent Meters" or "EM" is a means of relating a large-use customer with a base (residential) use customer. Fort Worth uses 5/8 x 3/4 inch meter capacity as an EM. The ratio of larger meter's capacity to the 5/8 x 3/4 inch meter capacity is the number of

EMs for each meter. The ratios can be found in the AWWA Standard C700-02.

1 EM delivers 20 Gallons per Minute..

1 EM delivers 28,800 Gallons per Day (20 GPM \* 60 Minutes/Hour \* 24 Hours/Day).

Maximum Reserved Emergency Usage equals EM \* 28,800



## EXHIBIT C

### SECTION 7.4 Total Annual, Monthly and Rate of Use Example Calculations

The calculations shown below assume a customer drawing water from one metering station. **The volumes, peaks, rates and charges in this Exhibit C are for demonstration purposes only and are not based on adopted rates or on actual usage for the Customer.**

The annual Volume Rate is charged as a rate per 1,000 gallons. The Annual Payment also includes the monthly service charge.

Month	Gallons	Volume Rate \$/1,000 Gallons	Volume Charges	Service Charges	Rate of Use Charges*	Total
Oct	1,000,000	\$1.43	\$1,430	\$25	\$2,209	\$3,664
Nov	1,000,000	\$1.43	\$1,430	\$25	\$2,209	\$3,664
Dec	1,000,000	\$1.43	\$1,430	\$25	\$2,209	\$3,664
Jan	1,000,000	\$1.43	\$1,430	\$25	\$2,209	\$3,664
Feb	1,000,000	\$1.43	\$1,430	\$25	\$2,209	\$3,664
Mar	2,000,000	\$1.43	\$2,860	\$25	\$2,209	\$5,094
Apr	3,000,000	\$1.43	\$4,290	\$25	\$2,209	\$6,524
May	3,000,000	\$1.43	\$4,290	\$25	\$2,209	\$6,524
Jun	3,000,000	\$1.43	\$4,290	\$25	\$2,209	\$6,524
Jul	3,000,000	\$1.43	\$4,290	\$25	\$2,209	\$6,524
Aug	4,000,000	\$1.43	\$5,720	\$25	\$2,209	\$7,954
	23,000,000		\$32,890	\$275	\$24,299	\$57,464
Sep	3,000,000	\$1.43	\$4,290	\$25	\$7,021	\$11,336
	26,000,000		\$37,180	\$300	\$31,320	\$68,800

\* Example calculation for Rate of Use Charges is on Page 2 of 4.





## EXHIBIT C

### SECTION 7.4 Total Annual Payment Example Calculation (con't)

#### Example Calculation for monthly Rate of Use Charges

	Gallons
Average Daily Use for the prior year	60,000
Maximum Day Demand for the prior year	175,000
Maximum Hour Demand for the prior year (converted to gallons per day)	480,000
Maximum Day Demand above Average Daily Use (Max Day - Avg Day)	115,000
Maximum Hour Demand above Maximum Day Demand (Max Hour - Max Day)	305,000

#### Monthly Excess Maximum Day and Excess Maximum Hour Payment Calculation:

	MGD	Excess Max Charges/MGD*	Total
Max Day Above Avg Day	0.115	\$135,000	\$15,525
Max Hour Above Max Day	0.305	\$36,000	\$10,980
			\$26,505
Monthly Rate of Use Charge Payment (Total Divided by 12)			\$2,209

\*The Excess Max Charges/MGD are the Excess Max Day Charge and the Excess Max Hour Charge, each in \$/MGD, taken from the current Fiscal Year annual cost-of-service rate study

As shown, the monthly Rate of Use Charges are calculated using the prior year's Average Daily Use, Maximum Day Demand and Maximum Hour Demand, times the current Fiscal Year Excess Max Charges/MGD. The final Annual Payment required by Article 7 is calculated using the current Fiscal Year Average Daily Use, and the Maximum Day Demand and Maximum Hour Demand for the current Fiscal Year or for the average of the most recent three (3) Fiscal Years, whichever is greater (as provided in § 7.1 and shown in the following Examples 1 and 2), times the current Fiscal Year Excess Max Charges/MGD.



## EXHIBIT C

### SECTION 7.4 Total Annual Payment Example Calculation (con't)

#### Example 1 – Current year exceeds the average of the most recent three Fiscal Years

	<u>Gallons</u>
Average Daily Use for the year	71,233
Maximum Day Demand for the current year	215,000
Maximum Hour Demand for the current year (converted to gallons per day)	545,000
Maximum Day Demand above Average Daily Use	143,767
Maximum Hour Demand above Maximum Day Demand	330,000

#### Fiscal Year Average of Most Recent Three Years

	Average	Current FY	FY 2008	FY 2007
Max Day Above Avg Day (MG)	129,178	143,767	115,000	128,766
Max Hour Above Max Day (MG)	318,333	330,000	305,000	320,000

#### Annual Payment Calculation

<u>Gallons</u>		<u>Volume Rate \$/1,000 Gallons</u>		<u>Total</u>
26,000,000	x	\$1.43	=	\$37,180

<u>Service Charge</u>		<u>Months</u>		
\$25	x	12	=	\$300

<u>Max Day Above Avg Day (MGD)</u>		<u>Excess Max Charges/MGD</u>		
0.144	x	\$135,000	=	\$19,440

<u>Max Hour Above Max Day (MGD)</u>		<u>Excess Max Charges/MGD</u>		
0.330	x	\$36,000	=	\$11,880

Total Annual Payment Due	\$68,800
Previous Billings for October through August Usage	\$57,464
October Billing for September Usage	\$11,336



## EXHIBIT C

### SECTION 7.4 Total Annual Payment Example Calculation (con't)

**Example 2 – The average of the most recent three Fiscal Years exceeds Current year.**

	Gallons
Average Daily Use for the year	71,233
Maximum Day Demand for the current year	190,000
Maximum Hour Demand for the current year (converted to gallons per day)	500,000
Maximum Day Demand above Average Daily Use	118,767
Maximum Hour Demand above Maximum Day Demand	310,000

Fiscal Year Average of Most Recent Three Years

	Average	CURRENT FY	FY 2008	FY 2007
Max Day Above Avg Day (MG)	120,844	118,767	115,000	128,766
Max Hour Above Max Day (MG)	311,667	310,000	305,000	320,000

#### Annual Payment Calculation

Gallons		Volume Rate \$/1,000 Gallons		Total
26,000,000	x	\$1.43	=	\$37,180
<u>Service Charge</u>		<u>Months</u>		
\$25	x	12	=	\$300
<u>Max Day Above Avg Day (MGD)</u>		<u>Excess Max Charges/MGD</u>		
0.121	x	\$135,000	=	\$16,335
<u>Max Hour Above Max Day (MGD)</u>		<u>Excess Max Charges/MGD</u>		
0.312	x	\$36,000	=	\$11,232

Total Annual Payment Due	\$65,047
Previous Billings for October through August Usage	\$57,464
October Billing for September Usage	\$7,583



## **EXHIBIT D**

### **Calculation of PILOT and Cost of Service Revenue Requirement to Recover the Utility's Cost of PILOT**

#### **DESCRIPTION**

A payment in lieu of taxes ("PILOT") assessed against the Water Operating Fund is an annual assessment to offset the ad valorem taxes lost, due to the non-profit status of the Water System. The Water Operating Fund pays the amount of the assessment into the General Fund.

PILOT assessed against the Water Operating Fund is calculated by applying the most recently adopted property tax rate per \$100 assessed value to the net book value of the applicable assets. These assets are limited to the assets classified as Plant and Property (in the specific NARUC accounts listed on the next page), and do not include Transmission Mains, Connections, Collection Structures and Meters.

The PILOT is a component of the Water Operating Fund Cost of Service. The Cost of Service Revenue Requirement that is necessary to recover PILOT is allocated between Retail and Wholesale customer classes according to the volume usage in the most recently completed fiscal year, prorated between the two customer classes.

The Wholesale Cost of Service component of PILOT is then allocated amongst the wholesale customers according to each wholesale customer's percentage of the wholesale customer class's volume usage in the most in the most recently completed fiscal year.

#### **EXAMPLE**

The following example further explains the calculation of the City's PILOT, the related revenue requirement, and its recovery through rates. The methodology applied in this example will remain in effect for the life of the Agreement; however, the specific dollar figures, volumes and other numerical values used in the following example will be updated from the sources identified below for each fiscal year that the contract is in effect.





## NET BOOK VALUE CALCULATION FOR PILOT ASSESSMENT

PILOT assessed against the Water Operating Fund is calculated by applying the most recently adopted property tax rate per \$100 assessed value to the net book value of the applicable assets, calculated as:

**Historical Cost of Water System Assets** at most recent audited year end;

**LESS** Historical Cost of Non-Plant and Non-Property Water System assets defined by NARUC (National Association of Regulatory Utility Commissioners) codes:

- 316 Raw Water Conduit and Valves
- 343 Transmission Mains
- 345 Service Connections
- 346 Meters
- 347 Meter Installation
- 348 Hydrant
- 372 Structures & Improvements / Collection

(If any of these account codes are amended, the equivalent code will be substituted.)

**LESS** Accumulated Depreciation on Plant and Property at most recent audited year end;

**PLUS** Construction Work in Progress on Plant and Property at most recent audited year end;

Example calculation:

### NET BOOK VALUE CALCULATION

Total Historical Cost of Water System	LESS Historical Cost of Non-Plant and Non- Property Assets	LESS Life-to-Date Accumulated Depreciation	PLUS Construction Work In Progress	EQUALS NET BOOK VALUE
\$982,385,273	(\$655,261,618)	(\$105,793,316)	\$26,990,180	\$248,320,519

(Dollar figures from most recent Cost of Service Study.)



## NET BOOK VALUE ALLOCATION BETWEEN RETAIL AND WHOLESALE

The Cost of Service Revenue Requirement necessary to recover PILOT is allocated between Retail and Wholesale customer classes according to the volume usage in the most recently completed fiscal year, prorated between the two customer classes.

• Example Retail/Wholesale allocation calculation:

	<u>Volume (MG)</u>
Total Annual Volume (MG)	66,917
Wholesale Volume (MG)	21,639
Wholesale Allocation	32.34%
Retail Allocation	67.66%

(Dollar figures and percentages from most recent Cost of Service Study.)

Total Net Book Value Base	\$248,320,519
Wholesale Net Book Value Base	\$80,299,602

### CALCULATION OF WHOLESALE REVENUE REQUIREMENT (PILOT COST OF SERVICE COMPONENT)

FY 2010 Tax Rate per \$100 Value	\$0.8550
Total PILOT Cost of Service	\$2,123,140
Wholesale Allocation	32.34%
Wholesale PILOT Cost of Service	\$686,562



I – ABILITY TO PROVIDE ADEQUATE SERVICE





## Ability to Provide Adequate Service

The proposed CCN modification area will be served by the City of Haslet water system via a 12" water line at the southern end of the area and a 16" water line at the northern end of the area and will be a looped system in nature. The area has also been projected in the City water master plan to include a new elevated storage tank which will increase pressure and reliability/resiliency in the system.

The area will be served with sanitary sewer service via a 21" line that will tie into the Trinity River Authority 36" sanitary sewer main. The 21" line will initially be maintained by the City of Haslet, however as the land to the west of the CCN modification area develops the line will also be utilized by the City of Fort Worth, at which point the Trinity River Authority would take over the line as it is serving two different entities.

The land is currently vacant and proposed to develop into single family residential per the adopted future land use plan.

Signed,

Travis N. Attanasio, P.E., CFM  
City Engineer  
City of Haslet, TX





6.B.i – FINANCIALS



## Water/Sewer Utility Fund -02

Water and Sewer Debt Service Fund - 07

	2014-2015	September 2015	2014-2015 YTD	% of Budget Collected	2015-2016 Budget	September 2016	2015-2016 YTD	% of Budget Collected	\$Change from Prior Year	Monthly % Change from Prior Year	YTD \$Change from Prior Year	% Change from Prior Year	YTD
Beg Available Resources	46,652		46,652		57,152		57,152						
Property Tax Revenue	293,250	406	296,190	101.0%	348,655	385	362,600	104.0%	(21)	-5.2%	66,410	22.4%	
Interest Income	200	5	170	85.2%	200	43	2,049	1024.3%	38	832.8%	1,878	1101.9%	
TOTAL REVENUES	293,450	411	296,360	101.0%	348,855	428	364,648	104.5%	17	4.2%	68,288	23.0%	
2007 G.O Refunding Bond Issuance Costs	112,656	100,828	110,656	98.2%	111,616	95,472	103,830	93.0%	(5,356.00)	-5.3%	(6,626)	-6.2%	
2007 C.O. Bond	177,602	131,301	176,303	99.3%	178,805	91,810	134,612	76.1%	(39,491)	-30.1%	(41,691)	-23.6%	
2016 GO Refunding				0.0%		48,775		0.0%					
TOTAL EXPENDITURES	290,258	232,129	286,959	98.9%	288,421	236,057	285,694	99.1%	(44,847)		(48,517)	-16.9%	
Excess Revenue Over (Under) Expenditures	3,192	(231,719)	9,402		60,434	(235,629)	78,954						
Est. Available Resources Year End	49,844		56,054		117,586		136,106						



Fund: 2 WATER &amp; SEWER FUND

City of Haslet  
Balance Sheet  
Period Ending: 9/2016

Account Number	Description	Debit	Credit
02-1100-00-00	Cash in Bank	674,067.16	
02-2010-00-00	Accounts Receivable	170,959.86	
02-2011-00-00	NSF Receivable	81.21	
02-2014-00-00	A/R Miscellaneous	47.13	
02-2015-00-00	Unbilled accounts receivable	95,360.78	
02-2020-00-00	Allowance for bad debts		-28,516.35
02-2025-00-00	Sales Tax Receivable		
02-2300-00-00	Inventory	470.86	
02-2500-00-00	TRA-Denton Creek A System	8,576.44	
02-2501-00-00	TRA-Accumulated Depreciation	322,545.00	
02-2510-00-00	W&S System	10,552,598.99	
02-2511-00-00	W&S Accumulated Depreciation	341,584.48	
02-2520-00-00	Other equipment		-2,356,258.22
02-2521-00-00	Other Equip-Accumulated Deprec		
02-2540-00-00	Office space	7,141.50	
02-2541-00-00	Office Space-Accumulated Depre		-256,452.16
02-2550-00-00	Land		-7,141.50
02-2590-00-00	Construction in Progress	20,141.65	
02-2700-00-00	Bond issue costs	261,462.99	
02-3000-00-00	Accounts Payable	11,162.43	
02-3010-00-00	Accrued interest payable		-135,533.20
02-3015-00-00	Sales Tax Uncollected		-63,615.00
02-3020-00-00	Sales Tax Collected		-475.58
02-3027-00-00	Unclaimed property		-217.93
02-3031-00-00	Life-Disability Payable		-188.36
02-3100-00-00	Refunds Payable	69.29	
02-3101-00-00	Health Insurance Payable		-1,895.61
02-3104-00-00	Long Term Care	163.60	
02-3112-00-00	Retirement fund payable	137.03	
02-3115-00-00	Accrued salary payable	765.70	
02-3120-00-00	Accrued Compensated Benefits		
02-3200-00-00	Meter Deposits		-1,940.84
02-3201-00-00	Pending UB Deposits	185.00	
02-3419-00-00	Certificates of Obligation		-72,712.50
02-3420-00-00	Certificates of oblig. payable		-115,100.00
02-3422-00-00	Discount on Cert. of Oblig.		-5,572,900.00
02-3439-00-00	Gen. Obligation Bond Payable		-6,356.83
02-3440-00-00	Gen. Obligation Bond Payable		-86,400.00
02-3441-00-00	Premium on GO Bond		-283,200.00
			-118,877.64



City of Haslet  
Balance Sheet

Period Ending: 9/2016

Fund: 2 WATER &amp; SEWER FUND

Account Number	Description	Debit	Credit
02-3442-00-00	Discount on GO Bond	21,969.90	
02-3450-00-00	Deferred Amount from Bond	28,355.90	
02-3497-00-00	Deferred Outflow Pension		-11,244.00
02-3800-00-00	Net Pension Liability	14,385.00	
02-3900-00-00	Fund Balance		-3,413,028.00
02-6102-00-00	Medicare Payable	14.59	
02-6110-00-00	Federal Withholding Payable	82.76	
		176,141.82	

Current Year Revenue/Expense

Fund totals: 12,708,471.07 -12,708,471.07

\*\*\*\*\* End of Report \*\*\*\*\*





6.B.ii – CURRENT RATE SCHEDULE



**CITY OF HASLET**

**ORDINANCE NO. 010-2014**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF HASLET, TEXAS, AMENDING APPENDIX A, FEE SCHEDULE, OF THE CITY OF HASLET CODE OF ORDINANCES BY AMENDING CHARGES FOR WATER AND WASTEWATER SERVICE AND DEPOSITS TO REFLECT INCREASES IN CHARGES TO THE CITY FOR WATER PURCHASED AND WASTEWATER TREATMENT; PROVIDING THAT THIS ORDINANCE SHALL BE CUMULATIVE OF ALL ORDINANCES; PROVIDING A SEVERABILITY CLAUSE; PROVIDING A SAVINGS CLAUSE; AND PROVIDING AN EFFECTIVE DATE FOR NEW RATES.**

**WHEREAS**, the City of Haslet, Texas is a Type A general-law municipality located in Tarrant and Denton Counties, created in accordance with the provisions of Chapter 6 of the Local Government Code and operating pursuant to the enabling legislation of the State of Texas;

**WHEREAS**, the master fee schedule of the City of Haslet, has been codified as Appendix A of the Haslet Code of Ordinances, which includes the water and wastewater rates and deposits; and

**WHEREAS**, the City staff and City Engineer have conducted a water and wastewater cost of service study which has been presented to the City Council; and

**WHEREAS**, the City Council has reviewed the existing and proposed water and wastewater rates and deposits, and has heard the recommendations of the City staff and City Engineer; and

**WHEREAS**, the City Council finds that certain water and wastewater rate increases, and increases in certain water deposits, are necessary to cover the cost of City services consistent with a fiscally sound utility system and to insure sound operating practices; and

**WHEREAS**, the City Council finds that changes in the city's cost of water purchased and wastewater treatment from the city's suppliers should be passed through to the city's customers rather than being absorbed by the operating budget.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HASLET, TEXAS:**

**SECTION 1.**

That Section 2.200 "Residential Water", of Appendix A to the Code of Ordinances, the Fee Schedule, is hereby amended to read as follows:



**"Sec. 2.200 Residential Water Rates**

For residential water service, the monthly rates are as follows:

(1) For service within the city limits:

First 2,000 gallons	\$20.95 flat rate minimum monthly fee
Next 28,000 gallons	\$3.75 per 1,000 gallons
30,001-50,000 gallons	\$4.87 per 1,000 gallons
50,001-100,000 gallons	\$5.98 per 1,000 gallons
Over 100,000 gallons	\$8.97 per 1,000 gallons

(2) For service outside the city limits:

First 2,000 gallons	\$31.40 flat rate minimum monthly fee
Next 28,000 gallons	\$5.60 per 1,000 gallons
30,001-50,000 gallons	\$7.30 per 1,000 gallons
50,001-100,000 gallons	\$8.97 per 1,000 gallons
Over 100,000 gallons	\$13.46 per 1,000 gallons

**SECTION 2.**

That Appendix A to the Code of Ordinances, the Fee Schedule, is hereby amended by adding a new Section 2.600 "Water Pass Through Charges", to read as follows:

**"Sec. 2.600 Water Pass Through Charges**

Any future changes in the city's cost of water purchased from the city's suppliers will be passed through to the city's customers."

**SECTION 3.**

That Section 3.200 "Residential Sewer", of Appendix A to the Code of Ordinances, the Fee Schedule, is hereby amended to read as follows:

**"Sec. 3.200 Residential Sewer Rates**

For residential sewer service, the monthly rates are as follows:

(1) For service within the city limits:

Minimum Monthly Base Rate	\$16.90
Volume Charge	\$2.80 per 1,000 gallons

(2) For service outside the city limits:



Minimum Monthly Base Rate	\$25.35
Volume Charge	\$4.19 per 1,000 gallons

The volume charge shall be based on the gallons of water used, determined by an average monthly consumption figure. Average monthly consumption figures for each user will be determined annually using the average actual water consumption during the months of December, January and February for use during the next calendar year."

#### SECTION 4.

Article 5.000 "Utility Deposits", Subsection (1) "Water and/or Sewer Service", of Appendix A to the Code of Ordinances, the Fee Schedule, is hereby amended to read as follows:

#### **"ARTICLE 5.000 UTILITY DEPOSITS**

"(1) Water and/or sewer service:

Residential (within and outside city limits)	\$ 100.00
Commercial/industrial (within or outside the city limits)	\$ 200.00
Use of bulk meter	\$1800.00"

The remaining provisions of Article 5.000 "Utility Deposits" of Appendix A, the Fee Schedule, are not amended hereby, and shall remain in full force and effect.

#### SECTION 5.

That Appendix A to the Code of Ordinances, the Fee Schedule, is hereby amended by adding a new Section 3.600 "Sewer Pass Through Charges" to read as follows:

#### **"Sec. 3.600 Sewer Pass Through Charges**

Any future changes in the city's cost of wastewater treatment from the city's suppliers will be passed through to the city's customers."

#### SECTION 6.

This ordinance shall be cumulative of all provisions of ordinances of the City of Haslet, Texas, except where the provisions of this ordinance are in direct conflict with the provisions of such ordinances, in which event the conflicting provisions of such ordinances are hereby repealed.

#### SECTION 7.

It is hereby declared to be the intention of the City Council that the phrases, clauses, sentences, paragraphs, and sections of this ordinance are severable, and if any phrase, clause





sentence, paragraph or section of this ordinance shall be declared unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs and sections of this ordinance, since the same would have been enacted by the City Council without the incorporation in this ordinance of any such unconstitutional phrase, clause, sentence, paragraph or section.

#### SECTION 8.

All rights and remedies of the City of Haslet are expressly saved as to any and all violations of the provisions of Appendix A of the City Code, as amended, or any other ordinances affecting fees for services which have accrued at the time of the effective date of this ordinance; and, as to such accrued violations and all pending litigation, both civil and criminal, whether pending in court or not, under such ordinances, same shall not be affected by this ordinance but may be prosecuted until final disposition by the courts.

#### SECTION 9.

This ordinance shall be in full force and effect with the October 2014 billing cycle, and it is so ordained.

**PASSED AND APPROVED ON THIS 16<sup>TH</sup> DAY OF JUNE, 2014.**



Bob Golden, Mayor

ATTEST:



Dianna Buchanan, City Secretary



