



Control Number: 47635



Item Number: 11

Addendum StartPage: 0

**NORTH TEXAS MUNICIPAL WATER DISTRICT  
CASH SPECIAL UTILITY DISTRICT  
POTABLE WATER SUPPLY CONTRACT**

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THE STATE OF TEXAS           §  
   §  
THE COUNTY OF COLLIN       §

THIS CONTRACT (the "Contract") made and entered into as of this the 25 day of July, 2019, by and between the North Texas Municipal Water District, hereinafter called "NTMWD", a conservation and reclamation district created under Article 16, Section 59, of the Texas Constitution, and the Cash Special Utility District, hereinafter called "Customer."

W I T N E S S E T H :

WHEREAS, NTMWD and Customer are authorized to enter into this Contract pursuant to Chapter 62, Acts of the 52<sup>nd</sup> Legislature, 1951 (Article 8280-141, Vernon's Texas Civil Statutes), Chapter 791 of the Texas Government Code (the "Interlocal Cooperation Act") and other applicable laws;

WHEREAS, Customer was previously known as Cash Water Supply Corporation ("Cash WSC") and Cash WSC and NTMWD previously entered into that certain Water Service Contract dated July 26, 1979 that was subsequently amended on October 28, 2002 (the "Previous Contract");

WHEREAS, Cash WSC converted to the Cash Special Utility District pursuant to an order issued by the Texas Commission on Environmental Quality ("TCEQ") on July 11, 2003 (the "Order") and such Order is attached hereto as Exhibit A;

WHEREAS, the Previous Contract is set to terminate on July 25, 2019 and NTMWD and Customer desire to completely restate the terms of the Previous Contract and supersede and replace the Previous Contract in its entirety, as provided herein, with the Previous Contract having no further force and effect;

WHEREAS, Customer desires to obtain an adequate and dependable water supply from NTMWD;

WHEREAS, NTMWD was created, among other things, to serve the water needs of its Member Cities, as defined below;

WHEREAS, Customer acknowledges and understands that this Contract establishes a maximum amount of potable water that NTMWD is required to deliver to Customer;

WHEREAS, Customer agrees to construct and operate adequate water distribution, storage and pump station facilities to ensure that the required maximum water rate supplied to Customer by NTMWD pursuant to this Contract does not exceed Customer's actual maximum day demand water rate during any 24-hour period;

WHEREAS, Customer acknowledges and understands that NTMWD determines the rates to be paid by Member Cities and Customer and that rates for Customer will not be the same as and are higher than the rates for Member Cities; and

WHEREAS, Customer is not compelled to purchase water from NTMWD and is voluntarily entering into this Contract;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, NTMWD agrees to furnish water, and Customer agrees to pay for water, upon the terms and conditions and for the consideration hereinafter set forth, to wit:

Section 1. DEFINITION OF TERMS. The following terms and expressions as used in this Contract, unless the context clearly shows otherwise, shall have the following meanings:

- (a) "Annual Minimum" means the minimum amount of potable water Customer must compensate NTMWD for during the Annual Payment Period, and each year thereafter, regardless of whether Customer actually takes such quantity of water. The Annual Minimum shall be adjusted annually after the first Annual Payment Period as provided in Section 8;
- (b) "Annual Maximum" means the maximum amount of potable water that NTMWD agrees to sell and deliver to Customer during any Water Year under this Contract;
- (c) "Annual Payment" means the amount of money to be paid to NTMWD by Customer during each Annual Payment Period;
- (d) "Annual Payment Period" means NTMWD's fiscal year, which currently begins on October 1 of each calendar year and ends on September 30 of the next following calendar year, but which may be any twelve (12) consecutive month period fixed by NTMWD;
- (e) "Contract Date" means the effective date of this Contract as executed by both parties;
- (f) "Customer" means Cash Special Utility District as defined in the preamble to this Contract;
- (g) "Customer Entity or Customer Entities" means any customer other than the Member Cities with which NTMWD contracts with to furnish water;
- (h) "Daily Average" means 1/365 of the Annual Minimum as provided in Section 8 of this Contract at the Point of Delivery;
- (i) "Emergency Condition" means a condition that necessitates an expeditious delivery of water to prevent or combat imminent peril to the public health, safety, or welfare;
- (j) "NTMWD" means the North Texas Municipal Water District as defined in the preamble to this Contract;
- (k) "Member City or Member Cities" means the Cities of Allen, Farmersville, Forney, Frisco, Garland, McKinney, Mesquite, Plano, Princeton, Richardson, Rockwall, Royse City, Wylie, and any other city that may hereafter legally be annexed into the service area of NTMWD in accordance with Tex. Rev. Civ. Stat. Art. 8280-141;
- (l) "Point of Delivery" means the meter vault between the provision of service by NTMWD to Customer, all facilities upstream of which shall be the sole responsibility of NTMWD, and all facilities downstream of which shall be the sole responsibility of the Customer;

- (m) "Regional Contract" means the "North Texas Municipal Water District Regional Water Supply Facilities Amendatory Contract," dated August 1, 1988, together with all similar contracts between NTMWD and contracting parties;
- (n) "System" means, collectively, the existing system and the future improvements and water of NTMWD included as part of the System under the Regional Contract for projects, water storage, treatment, transmission and supply, including all dams, reservoirs, and other properties or interests therein wherever located. Said terms do not include any of NTMWD's facilities that provide wastewater treatment or disposal services, or solid waste disposal services, of any kind. Said terms do not include any facilities acquired or constructed by NTMWD with the proceeds from the issuance of "Special Facilities Bonds," which are payable from any source, contract, or revenues whatsoever, other than revenues from the System; and,
- (o) "Water Year" means the period of August 1 of each calendar year through July 31 of the next following calendar year, or such other twelve (12) month period designated by NTMWD to all Member Cities and Customer Entities.

Section 2. DELIVERY OF WATER. NTMWD agrees to sell and to deliver potable water under this Contract to Customer at its Point of Delivery as described in Section 5 hereof, and Customer agrees to take at its Point of Delivery all water required for use by Customer during the term of this Contract, including all potable water for Customer's own use and for distribution to all customers served by Customer's water distribution system, or within Customer's existing TCEQ certificated retail service area. NTMWD acknowledges that Customer receives water from other sources in addition to the water supplied hereunder. It is specifically provided, however, that after the Contract Date, unless required to do otherwise by TCEQ or a court of competent jurisdiction, Customer shall not enter into, renew, or amend with regard to volume of water to be supplied, any agreement to provide wholesale or retail potable water for use outside its boundaries, its extraterritorial jurisdiction, or its certificated retail service area unless each such agreement is approved by NTMWD (which approval shall not be unreasonably withheld unless the projected additional volume affects NTMWD's ability to provide service to others or conflicts with law or NTMWD policy). Customer shall not become a party to any contract for the sale of potable water that would violate or be inconsistent with the provisions of this Contract. NTMWD will use its best efforts to furnish and remain in a position to furnish potable water sufficient for all reasonable potable water requirements of Customer, but its obligation shall be limited to the amount of potable water available to it from the System during routine operation. NTMWD acknowledges that Customer currently provides wholesale water service to those entities identified on Exhibit B attached hereto, and consents thereto for all purposes.

The Annual Maximum that NTMWD agrees to sell and deliver to Customer under this Contract at the Point of Delivery shall be 365,000,000 gallons per year. If Customer exceeds the Annual Maximum for the Point of Delivery during any Water Year, within sixty (60) days of such exceedance Customer agrees to commence negotiations with NTMWD for the execution of an amended or restated contract.

Except as provided in Section 8(j), the maximum rate of delivery at the Point of Delivery shall not exceed 2.2 times the Daily Average supplied to Customer hereunder, which is consistent with the capabilities and abilities of NTMWD facilities, and it is understood that NTMWD may from time to time adjust the maximum rate of delivery on an equitable and uniform basis to all Customer Entities.

Section 3. OTHER CONTRACTS. NTMWD reserves the right to supply potable water from the System to additional parties as determined by the Board of Directors of NTMWD.

Section 4. QUALITY. The water to be delivered by NTMWD and received by Customer shall be potable water. Customer has satisfied itself that such water will be suitable for its needs, but NTMWD is obligated to treat such water so as to meet the standards of all State and Federal agencies having jurisdiction over water quality.

NTMWD and Customer shall cooperate, each within its legal powers, in preventing, to the extent practicable, the pollution and contamination of the reservoirs and watersheds from which water is obtained.

Section 5. POINT(S) OF DELIVERY. The Point of Delivery for Customer is located generally near the intersection State Highway 66 and Ben Payne Road on the Rockwall to Cash 21-inch pipeline and the Rockwall to Royse City 12 inch pipeline. Exhibit C attached hereto identifies the location of the Point of Delivery.

Customer agrees to furnish the site at the Point of Delivery and to construct and operate adequate water distribution, storage and pump station facilities so that the maximum rate of delivery will not exceed 2.2 times the Daily Average at the Point of Delivery. Customer shall design and construct a separate vault for the Point of Delivery. The vault will include the billing meter, control valve, and appropriate SCADA equipment. Customer shall also provide one level transmitter for the ground storage tank for NTMWD use and shall provide a separate air gap for the Point of Delivery at the ground storage tank. At the request of the Customer, or upon NTMWD's own determination, NTMWD may install isolation valves associated with the Point of Delivery. NTMWD may require Customer to bear all costs associated with such installation.

Customer shall provide to NTMWD all plans for the design, construction, and installation of any facilities and equipment required to receive and take all potable water delivered to it under this Contract and Customer shall not proceed with any construction or installation without NTMWD's prior written approval of such plans, which approval shall not be unreasonably withheld. Further, NTMWD shall have the right to inspect any and all facilities and equipment to ensure compliance with the NTMWD approved plans. Customer shall also perform and coordinate with NTMWD regarding any and all construction activities that involve the System. Customer shall construct, maintain, and operate, at its own cost and expense, all facilities and equipment necessary to receive and take all potable water delivered to it under this Contract. Regardless of NTMWD's approval of any Customer plans for the design, construction, and installation of any facilities and equipment required to receive and take all potable water delivered to it under this Contract, Customer is solely responsible for the sufficiency of design to receive volume(s) of water established pursuant to this Contract. Any construction from NTMWD's pipeline through the air gap must meet NTMWD standard specifications. No change in the type or size of meters, or size of the tap, shall be allowed unless this Contract has been amended as set forth in Section 10, MODIFICATION.

In the event that the water supply line is relocated for any reason beyond the control of NTMWD, Customer shall be responsible for all costs associated with construction and relocation of the Point of Delivery.

Section 6. MEASURING EQUIPMENT. Customer shall furnish, and install at its own expense at, or near, the Point of Delivery the necessary rate of flow equipment, of a standard type approved by NTMWD, for measuring properly in both low and high flow periods the quantity of potable water delivered under this Contract and such billing meter and other equipment so installed shall become the property of NTMWD. In its sole discretion, NTMWD may furnish, install and/or replace at its own expense at, or near, the Point of Delivery the necessary rate of flow equipment for measuring properly in both low and high flow periods the quantity of potable water delivered under this Contract and such billing meter and other equipment so installed shall remain the property of NTMWD. Customer shall have access to such metering equipment at all reasonable times, but the reading, calibration, and adjustment thereof shall be accomplished only by the employees or agents of NTMWD. For the purpose of this Contract, the original record or reading of the meter shall be the journal or other record book, including, but not limited to electronic databases, maintained by NTMWD in its office in which the records of the employees or agents of NTMWD who take the reading may be transcribed. Upon written request of Customer, NTMWD will provide a copy of such journal or record book, or permit it to have access to the same in the office of NTMWD during reasonable business hours.

Not more than once in any six (6) month time period, NTMWD shall test its billing meter if requested in writing by Customer to do so, in the presence of a representative of Customer, and the parties shall jointly observe any adjustments that are made to the billing meter in case any adjustments shall be necessary. If upon any test, the

percentage of inaccuracy of any billing meter equipment is found to be in excess of two percent (2%), registration thereof shall be corrected for a period extending back to the time when such inaccuracy began, if such time is ascertainable, and if such time is not ascertainable, then for a period extending back one-half (1/2) of the time elapsed since the last date of calibration, but in no event further back than a period of six (6) months. If for any reason any billing meters are out of repair so that the amount of water delivered cannot be ascertained or computed from the reading thereof, the water delivered through the period such billing meters are out of service or out of repair shall be estimated and agreed upon by the parties hereto upon the basis of the best data available. For such purpose, the best data available shall be deemed to be the registration of any check meter or meters if the same have been installed and are accurately registering. Otherwise, the amount of water delivered during such period may be estimated (i) by correcting the error if the percentage of the error is ascertainable by calibration tests or mathematical calculation, or (ii) estimating the quantity of delivery by deliveries during the preceding periods under similar conditions when the billing meter or meters were registering accurately.

Customer may, at its option and its own expense, install and operate a check meter downstream of the Point of Delivery to check each billing meter installed by NTMWD, but the measurement of water for the purpose of this Contract shall be solely by NTMWD's meters, except in the cases hereinabove specifically provided to the contrary. All such check meters shall be of standard make and shall be subject at all reasonable times to inspection and examination by any employee or agent of NTMWD.

Section 7. UNIT OF MEASUREMENT. The unit of measurement for potable water delivered under this Contract shall be 1,000 gallons of water, U.S. Standard Liquid Measure.

Section 8. PRICE AND TERMS. The service to be performed under this Contract by NTMWD consists of the readiness of NTMWD to deliver to Customer upon its demand, water in accordance with the conditions, limitations and provisions of this Contract.

In return for such service, Customer agrees to compensate NTMWD by payment of certain minimum annual sums of money, for each of which said sums NTMWD agrees, if required by Customer, to deliver all, or so much thereof as Customer may desire, of a certain corresponding volume of water, as follows:

(a) Customer will compensate NTMWD at the current water rate established for Customer Entities by the Board of Directors of NTMWD ("Water Rate"), as such Water Rate may be changed from time to time, for an Annual Minimum of 305,643,000 gallons of water (a Daily Average of 837,380 gallons per day), regardless of whether said quantity is actually taken by Customer, and any water delivered in excess of the amount allowed for the Annual Minimum will also be purchased at the Water Rate. The Annual Minimum Customer will be required to purchase at the above Water Rate, or such other Water Rate as may be from time to time determined by NTMWD, shall be calculated annually for each ensuing year and such minimum amount shall not be less than the highest total amount taken by Customer during any previous year or 305,643,000 gallons, whichever is greater; provided however, Customer cannot take more than 365,000,000 gallons per year as provided in Section 2 of this Contract, and Customer shall pay the Water Rate for any water taken in excess of 365,000,000 gallons per year.

(b) If potable water must be rationed, such rationing shall, within the limits permitted by law, be accomplished by NTMWD on an equal basis of the relative actual total amount of all potable water taken by each Customer Entity, respectively, during the last preceding Annual Payment Period in which rationing among said Customer Entities was not necessary.

(c) The Annual Minimum as set forth in Section 8 hereof shall be reviewed at the end of the first Annual Payment Period, and each year thereafter, and shall be re-determined by the Board of Directors of NTMWD at that time.



(d) Payment of the minimum annual service charge listed above shall be made each year by Customer to NTMWD in twelve (12) equal monthly installments, each of which shall be due and payable on or before the 10<sup>th</sup> day of the month following the service.

(e) It is further agreed that, in addition to the amounts required to be paid by Customer herein, if during any Water Year Customer uses System treated water in excess of the Annual Minimum for the Annual Payment Period that commenced during such Water Year up to the Annual Maximum allowed in Section 8(a) or in excess of the Annual Maximum allowed in Section 8(a), then Customer shall pay for excess water in accordance with the provisions of Section 8(a). Excess water charges shall be billed by NTMWD to Customer as soon as practicable after the end of such Water Year and shall be paid to NTMWD as soon as practicable thereafter, and in all events prior to the beginning of the next Annual Payment Period.

(f) Liability for making payments, as herein set forth, shall commence on the date of the first tender of delivery of water to Customer by NTMWD at the Point of Delivery.

(g) In the event that Customer shall fail to make any such monthly payment or annual payment within the time herein in this section specified, interest on such amount shall accrue at the rate of ten percent (10%) per annum from the date such payment becomes due until paid in full with the interest as herein specified. In the event such payment is not made within thirty (30) days from the date such payment becomes due, NTMWD may at its option discontinue delivery of water to Customer until the amount due NTMWD is paid in full with interest as herein specified.

(h) If Customer takes an amount of water above the authorized amount or authorized rate of delivery allowed by NTMWD's water conservation plan and drought contingency plan, as may be amended from time to time, NTMWD may require the Customer to pay three (3) times the Water Rate for water taken in excess of the authorized amount or authorized rate of delivery under either plan.

(i) Any time Customer exceeds the maximum rate of delivery of 2.2 times the Daily Average at the Point of Delivery as determined by the NTMWD, Customer shall pay three (3) times the Water Rate for such water.

(j) In the event of an Emergency Condition, as that term is defined herein, NTMWD may, in its sole discretion, waive this increased rate for exceedance of the maximum rate of delivery of 2.2 times the Daily Average for the Point of Delivery. This waiver shall apply for a 48-hour period, after which such waiver shall terminate. In its sole discretion, NTMWD may extend the waiver for additional 48-hour periods, if NTMWD determines that an extension of the waiver is warranted.

NTMWD, at its sole discretion and at any time, may deliver water to Customer at a delivery rate greater than 2.2 times the Daily Average for the purpose of (i) minimizing or managing energy costs (e.g. 4 Coincident Peak (4CP), minimizing pump starts and/or stops, etc.); or (ii) managing hydraulic constraints in NTMWD's system. In the event NTMWD exercises either of these options, Customer shall pay only the Water Rate for water received. Additionally, if NTMWD does not have infrastructure installed with the capability of limiting the delivery rate of water to 2.2 times the Daily Average, or such infrastructure is inoperable, Customer shall pay the Water Rate for water received from NTMWD.

Section 9. TERM OF CONTRACT. This Contract shall commence on the Contract Date and shall continue for a term of twenty (20) years following the Contract Date.

Section 10. MODIFICATION. This Contract may be changed or modified only by written agreement of the parties and only after having obtained approval from the governing bodies of both NTMWD and Customer.

No change or modification shall be made to this Contract which will affect adversely the prompt payment when due of all monies required to be paid by Customer under the terms of this Contract.

Section 11. FORCE MAJEURE. If by reason of force majeure any party hereto shall be rendered unable wholly or in part to carry out its obligations under this Contract, other than the obligation of Customer to make the payments required under Section 8 of this Contract, then if such party shall give notice and full particulars of such force majeure in writing to the other party within a reasonable time after occurrence of the event or cause relied 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 any such party shall endeavor to remove or overcome such inability with all reasonable dispatch. The term "force majeure" as employed herein shall mean acts of God, strikes, lockouts, or other industrial disturbances, 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, restraint of government and people, civil disturbances, explosions, breakage or accidents to machinery, pipelines or canals, partial or entire failure of water supply, or on account of any other causes not reasonably within the control of the party claiming such inability.

Section 12. INSURANCE. NTMWD agrees to carry and arrange for fire, casualty, public liability, and/or other insurance, including self-insurance for purposes and in amounts which, as determined by NTMWD, ordinarily would be carried by a privately-owned utility company owning and operating such facilities, except that NTMWD shall not be required to provide liability insurance except to insure itself against risk of loss due to claims for which it can, in the opinion of NTMWD's legal counsel, be liable under the Texas Tort Claims Act or any similar law or judicial decision. Such insurance will provide, to the extent feasible and practicable, for the restoration of damaged or destroyed properties and equipment, to minimize the interruption of the services of such facilities. All premiums for such insurance shall constitute just and reasonable operation and maintenance expense. The insurance coverage referenced herein does not extend to any facility owned by Customer.

Section 13. REGULATORY BODIES AND LAWS. This Contract is subject to all applicable Federal and State Laws and any applicable permits, ordinances, rules, orders, and regulations of any local, 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, ordinance, order, rule, or regulation in any forum, having jurisdiction.

Section 14. NOTICES. Unless otherwise provided herein, any notice, communication, request, reply, or advice (herein severally and collectively, for convenience, called "Notice") herein provided or permitted to be given, made, or accepted by any party to any other party must be in writing and may be given or be served by depositing the same in the United States mail postpaid and registered or certified and addressed to the party to be notified, with return receipt requested, or by delivering the same to an officer of such party, or by prepaid telegram when appropriate, addressed to the party to be notified. Notice deposited in the mail in the manner hereinabove described shall be conclusively deemed to be effective, unless otherwise stated herein, from and after the expiration of three (3) days after it is so deposited. Notice given in any other manner shall be effective only if and when received by the party to be notified. For the purposes of notice, the addresses of the parties shall, until changed as hereinafter provided, be as follows:

If to NTMWD, to:

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



If to Customer, to:

President  
Cash Special Utility District  
172 East FM 1564  
Greenville, TX 75402

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

Section 15. SEVERABILITY. The parties hereto specifically agree that in case any one or more of the sections, subsections, provisions, clauses, or words of this Contract or the application of such sections, subsections, provisions, clauses, or words to any situation or circumstance should be, or should be held to be, for any reason, invalid or unconstitutional, under the laws or constitutions of the State of Texas or the United States of America, or in contravention of any such laws or constitutions, such invalidity, unconstitutionality, or contravention shall not affect any other sections, subsections, provisions, clauses, or words of this Contract or the application of such sections, subsections, provisions, clauses, or words to any other situation or circumstance, and it is intended that this Contract shall be severable and shall be construed and applied as if any such invalid or unconstitutional section, subsection, provision, clause, or word had not been included herein, and the rights and obligations of the parties hereto shall be construed and remain in force accordingly.

Section 16. VENUE. All amounts due under this Contract including, but not limited to, payments due under this Contract or damages for the breach of this Contract, shall be paid and be due in Collin County, Texas, which is the County in which the principal administrative offices of NTMWD are located. It is specifically agreed among the parties to this Contract that Collin County, Texas, is a principal place of performance of this Contract.

Section 17. OPERATING CONDITIONS AND PROVISIONS.

(a) Operation and Maintenance of System. NTMWD will continuously operate and maintain the System in an efficient manner and in accordance with good business and engineering practices, and at reasonable cost and expense.

(b) Title to Water, Indemnification. NTMWD shall retain title to all water supplied to Customer up to the Point of Delivery, at which point title to such water shall pass to Customer. NTMWD and Customer shall save and hold each other harmless from all claims, demands, and causes of action that may be asserted by anyone on account of the transportation and delivery of said water while title remains in such party. As between the parties, Customer shall have the first right to use all effluent produced from any wastewater treatment plant that treats the wastewater resulting from the use of the water made available under this Contract for direct reuse, but solely for its own purposes, and not for sale to, or use by, any customer of the Customer. To the extent that effluent produced by a wastewater treatment plant that treats the wastewater resulting from the use of water made available under this Contract is discharged to water courses of the State, the right of Customer to reuse such effluent produced from such wastewater treatment is terminated, and NTMWD shall have the right, as between the parties, pursuant to any necessary authorization of the State, to indirectly reuse said effluent. Customer shall ensure via any wholesale contract with a subsequent customer, entered into after the Contract Date, to maintain NTMWD's right to indirectly reuse treated effluent, the underlying source of which is water from NTMWD made available under this Contract.

(c) Operating Expenses of Customer. Customer represents and covenants that all payments to be made by it under this Contract shall constitute reasonable and necessary operating expense of its system and that

all such payments will be made from the revenues of its system. Customer represents and has determined that the potable water supply to be obtained from the System is absolutely necessary and essential to the present and future operation of its water system and is the only available and adequate source of supply of potable water. Accordingly, all payments required by this Contract to be made by Customer shall constitute reasonable and necessary operating expense of its respective system as described above, with the effect that the obligation to make such payments from revenues of such systems shall have priority over any obligation to make any payments from such revenues (whether of principal, interest, or otherwise) with respect to all bonds or other obligations heretofore or hereafter issued by Customer.

(d) Customer's Rate for Waterworks System. Customer agrees throughout the term of this Contract to continuously operate and maintain its waterworks system, and to fix and collect such rates and charges for water services to be supplied by its waterworks system as aforesaid as will produce revenues in an amount equal to at least (i) all of its payments under this Contract and (ii) all other amounts required to be paid from said revenues by the provisions of the ordinances or resolutions authorizing its revenue bonds or other obligations now or hereafter outstanding and to file appropriate financial reports related to the Customer's system including annual audits.

(e) Equity. Customer acknowledges that it will accrue no equity or any other interest in the System or any other assets of NTMWD as a result of payment or other performance pursuant to this Contract.

Section 18. WATER CONSERVATION. Customer agrees to adopt, implement, and enforce any and all ordinances and policies related to water conservation and drought management as required by the Texas Water Code, rules of the TCEQ and/or as may be adopted by the Board of Directors of NTMWD. NTMWD's obligations pursuant to this Contract shall be subject to Customer preparing and implementing a water conservation plan or water conservation measures, as well as implementing any water conservation plans and drought contingency plans adopted by NTMWD and required or approved by the TCEQ, the Board, or any other federal, state, or local regulatory authority with power to require or approve water conservation and drought contingency plans. Upon execution of this Contract, Customer shall submit its water conservation plan or water conservation measures, and drought contingency plan, to NTMWD for review and approval, and Customer agrees to amend its water conservation plan or water conservation measures, and drought contingency plan as requested by NTMWD in order to comply with requirements of NTMWD's water conservation plan and drought contingency plan, program and/or rules. Customer shall also submit any changes or amendments to its water conservation plan or water conservation measures, and drought contingency plan, to NTMWD for review and approval.

NTMWD has adopted a water conservation plan and a drought contingency plan, and may amend both from time to time. If Customer fails to implement NTMWD's and its own drought contingency plan when trigger conditions occur, NTMWD may implement rationing and collect the rate for water withdrawn as provided in Section 8(h) of this Contract, as well as enforce any contractual, statutory, or common law remedies available. The amount of water that is provided pursuant to this Contract when Customer is not in compliance with NTMWD's water conservation plan and drought contingency plan will be reduced to the amount estimated as necessary to satisfy Customer's demand if Customer was operating in compliance with both NTMWD's and Customer's drought contingency plans.

If NTMWD authorizes Customer to resell water from the System pursuant to the conditions included herein, Customer shall require through a contract condition that any successive user(s) of water from the System must implement water conservation measures that comply with the NTMWD and Customer's water conservation plans, measures, programs, and/or rules.

Section 19. DEMAND ASSESSMENT. The location of the delivery point(s) and any quantity set forth in this Contract are intended to meet the water needs of Customer. The needs of Customer are independently determined by Customer, and NTMWD has conducted no independent evaluation of the Customer's water system.

Section 20. SOLE AGREEMENT. This Contract constitutes the sole and only agreement of Customer and NTMWD and supersedes any prior understanding or oral or written agreements between Customer and NTMWD with respect to the subject matter of this Contract.

Section 21. NO THIRD PARTY BENEFICIARIES. This Contract shall inure only to the benefit of the parties hereto and third persons not privy hereto shall not, in any form or manner, be considered a third-party beneficiary of this Contract. Each party hereto shall be solely responsible for the fulfillment of its customer contracts or commitments, and NTMWD shall not be construed to be responsible for Customer's contracts or commitments by virtue of this Contract or any provision contained herein.

Section 22. ASSIGNMENT. Customer shall not assign this Contract or any of its rights hereunder without first obtaining the express prior written consent of NTMWD.

IN WITNESS WHEREOF, the parties hereto acting under authority of their respective governing bodies have caused this Contract to be duly executed in several counterparts, each of which shall constitute an original, all as of the day and year first above written, which is the Contract Date.

*(Signatures on following pages)*

**CASH SPECIAL UTILITY DISTRICT**

By: William C. Reese July 22, 2019  
William C. Reese, President Date

ATTEST:

James M. Fortenberry  
James Fortenberry, Secretary

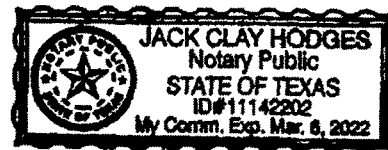
STATE OF TEXAS

COUNTY OF HUNT§

This instrument was acknowledged before me on this 22 day of July, 2019, by William C. Reese, President of the Board of Directors of Cash Special Utility District, a conservation and reclamation district and political subdivision of the State of Texas, on behalf of said conservation and reclamation district.

Jack Clay Hodges  
Notary Public, State of Texas  
Printed Name of Notary:

Jack Clay Hodges  
My Commission Expires: 3/6/2022



NORTH TEXAS MUNICIPAL WATER DISTRICT

By: *Don Gordon*  
Don Gordon, President

7/25/19  
Date

ATTEST:

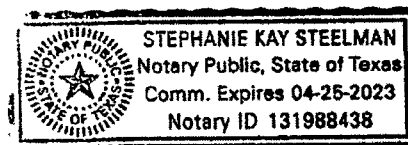
*Darrell Grooths*  
Darrell Grooths, Secretary

STATE OF TEXAS       §  
                                  §  
COUNTY OF COLLIN   §

This instrument was acknowledged before me on this 25 day of July, 2019, by Don Gordon, President of the Board of Directors of North Texas Municipal Water District, a conservation and reclamation district and political subdivision of the State of Texas, on behalf of said conservation and reclamation district.

*Stephanie Kay Steelman*  
Notary Public, State of Texas  
Printed Name of Notary:

Stephanie Kay Steelman  
My Commission Expires: 4.25.2023



TEXAS NATURAL RESOURCE CONSERVATION COMMISSION

**COPY**



JUL 14 2003

THE STATE OF TEXAS  
COUNTY OF TRAVIS  
I, *[Signature]*, County Clerk of Travis County, Texas, do hereby certify that this is a true and correct copy of a resolution adopted by the Texas Natural Resource Conservation Commission on Environmental Quality Commission, July 11, 2003, in the presence of the members of the Commission, and that the same is a true and correct copy of the original as the same appears in the records of the Commission.  
JUL 11 2003  
*[Signature]*  
L. Wayne Chism, Chief Clerk  
Texas Commission on Environmental Quality

**AN ORDER GRANTING A REQUEST FOR CONVERSION TO  
AND CREATION OF CASH SPECIAL UTILITY DISTRICT AND APPOINTMENT  
OF TEMPORARY DIRECTORS**

An application by Cash Water Supply Corporation (the "WSC") was presented to the Executive Director of the Texas Commission on Environmental Quality ("Commission") for consideration of approval of the creation of Cash Special Utility District (the "District"), the appointment of nine directors for the District, and the transfer of the WSC's certificate of convenience and necessity ("CCN") to the District pursuant to TEX. WATER CODE ANN, Chapters 13, 49 and 65.

The Commission has jurisdiction to consider this matter and the following Findings of Fact and Conclusions of Law are appropriate after examining the application and supporting documentation:

**FINDINGS OF FACT**

1. On July 12, 2002, a petition requesting the conversion of the WSC to the District was filed with the Commission pursuant to TEX. WATER CODE ANN. Chapter 65.
2. The resolution adopted by the WSC dated April 8, 2002 requesting conversion to and creation of the proposed District contains the matters required by TEX. WATER CODE ANN. §65.015 (Vernon Supp. 2002)
3. Proper notice of the application was given pursuant to Tex. Water Code 49.011 (Vernon Supp. 2000) and 30 Tex. Admin. Code §293.12.
  - a. Proper notice of the application was published on November 21, 2002, and November 28, 2002, in the Greenville Herald Banner, a newspaper regularly published and generally circulated in Hopkins, Hunt, Rains, and Rockwall Counties, Texas, the counties in which the proposed District is to be located.
  - b. Proper notice to affected neighboring utilities was mailed on April 11, 2002
  - c. Proper notice was posted in the Hopkins, Hunt, and Rockwall County courthouse on November 19, 2002. Proper notice was posted in the Rains County courthouse on December 3, 2002



### CONCLUSIONS OF LAW

1. The Commission has jurisdiction to consider the application and is authorized to make and enter its Findings of Fact, Conclusions of Law, and Orders with respect to the request for conversion of the WSC and creation of the District.
2. All of the land and property proposed may properly be included within the District.
3. All statutory and regulatory requirements for conversion of the WSC to the District have been fulfilled in accordance with TEX. WATER CODE ANN., Chapters 49 and 65 and TEX. ADMIN. CODE §293.11.
- 4.

**NOW THEREFORE, BE IT ORDERED BY THE TEXAS COMMISSION ON  
ENVIRONMENTAL QUALITY THAT:**

1. The application for the conversion of the WSC to the District is hereby granted.
2. The District is created under the terms and conditions of Article XVI, Section 59 of the TEXAS CONSTITUTION and TEX. WATER CODE ANN., Chapter 65.
3. The District shall have all of the rights, powers, privileges, authority, and functions conferred and shall be subject to all duties imposed by the Commission on and the general laws of the State of Texas relating to special utility districts.
4. The boundaries of the District should reflect the boundary description as shown in Exhibit "A."
5. The following persons are hereby named and appointed as temporary directors of the District, to serve until their successors are elected or have been appointed in accordance with applicable law:

Jimmy Humphries	William C. Reese	Bobby W. Fannin
Virgil R. Winsett	Bobby Ayers	Bryan Delgado
Vernon Pippin	James M. Fortenberry	Norris R. Mayberry

6. The foregoing temporary directors shall, as soon as practicable after the date of entry of this Order, execute their official bonds and take their official oath of office. All such bonds shall be approved by the Board of Directors of the District and each bond and oath shall be filed with the District and retained in its records.
7. Before the District may issue bonds or other obligations, a confirmation and director election shall be held within the boundaries of the proposed District to determine if the proposed District shall be established and to elect permanent directors of the proposed District. The District's Board of Directors is directed to send to the Commission a certified copy of the order canvassing the confirmation election returns not later than 30 days after the election.

**PROPOSED CASH SPECIAL UTILITY DISTRICT**  
**METES & BOUNDS BOUNDARY DESCRIPTION**  
**- 5/30/2002**

BEGINNING at the intersection of U.S. Highway 59 and Hunt County Road 3303 located approximately two miles Southeast of the City of Greenville and located on the Cash Water Supply Corporation (WSC) Certificate of Convenience and Necessity (CCN);

THENCE north 79 degrees 21 minutes east along a line approximately 10,580 feet to a point for a corner;

THENCE south along a line approximately 1,320 feet to a point for a corner;

THENCE east along a line approximately 4,224 feet to a point for a corner;

THENCE north along a line approximately 14,784 feet to a point for a corner;

THENCE east along a line approximately 9,358 feet;

THENCE south 3 degrees 48 minutes west along a line approximately 2,803 feet;

THENCE south 89 degrees 40 minutes east along a line approximately 1,122 feet to a point for a corner;

THENCE north 12 degrees 19 minutes east along a line approximately 4,011 to its intersection with the south right of way for Interstate 30 to a point for a corner;

THENCE easterly along the south right of way of Interstate 30 approximately 10,275 feet to a point for a corner;

THENCE north along a line approximately 500 feet to the north side right of way of Interstate 30 to a point for a corner;

THENCE easterly along the north side right of way of Interstate 30 approximately 10,718 feet to intersection with unnamed creek to a point for a corner;

THENCE northerly along unnamed creek approximately 3,715 feet to a point for a corner;

THENCE easterly along a line approximately 4,128 feet to a point for a corner;

THENCE northerly along a line approximately 735 feet to a point for a corner;

THENCE north 16 degrees 12 minutes east along a line approximately 308 feet to a point for a corner;

THENCE north along a line approximately 1,285 feet to a point for a corner;

THENCE easterly along a line approximately 4,314 feet to its intersection with the Hunt/Hopkins County line to a point for a corner;

THENCE southerly along the Hunt/Hopkins County line approximately 853 feet to its intersection with Hopkins County Road 729 to a point for a corner;

THENCE southerly along Hopkins County Road 729 approximately 2,284 feet to a point for a corner;

THENCE south 78 degrees 32 minutes west along a line approximately 1,031 feet to a point for a corner;

THENCE south 1 degree 15 minutes west approximately 1,082 feet to its intersection with FM-489 to a point for a corner;

THENCE westerly along FM-489 approximately 603 feet to its intersection with Hunt/Hopkins County line to a point for a corner;

THENCE southerly along the Hunt/Hopkins County line approximately 2,002 feet to its intersection with the southern right of way of Interstate 30 to a point for a corner;

THENCE easterly along the south right of way of Interstate 30 approximately 2,842 feet to its intersection with Hopkins County Road 132 to a point for a corner;

THENCE southerly along the Hopkins County Road 132 approximately 2,376 feet to a point for a corner;

THENCE easterly along a line approximately 1,320 feet to a point for a corner;

THENCE southerly along a line approximately 4,596 feet to its intersection with East Fork Turkey Creek to a point for a corner;

THENCE southerly along the meandering of East Fork Turkey Creek approximately 4,542 feet to its intersection with Hopkins County Road 128 to a point for a corner;

THENCE northwesterly along Hopkins County Road 128 approximately 486 feet to a point for a corner;

THENCE south along a line approximately 2,291 feet to its intersection with East Fork Turkey Creek to a point for a corner;

THENCE southerly along the meandering East Fork Turkey Creek approximately 13,130 feet to its intersection with Turkey Creek to a point for a corner;

THENCE southerly along the meandering Turkey Creek approximately 241 feet to a point for a corner;

THENCE southerly along a line approximately 3,629 feet to its intersection with Hopkins County Road 133;

THENCE southwesterly along Hopkins County Road 133 approximately 1,520 feet to its intersection with the Hunt/Hopkins County line;

THENCE southerly along the Hunt/Hopkins County line approximately 12,109 feet to a point for a corner;

THENCE north 58 degrees 43 minutes east along a line approximately 1,051 feet to a point for a corner;

THENCE southerly along a line approximately 4,009 feet to a point for a corner;

THENCE easterly along a line approximately 1,848 feet to a point for a corner;

THENCE southerly along a line approximately 1,055 feet to its intersection with Moss Branch Creek to a point for a corner;

THENCE northeasterly along the meandering of Moss Branch Creek approximately 4,758 feet to a point for a corner;

THENCE south 45 degrees 53 minutes east approximately 12,806 feet to a point for a corner;

THENCE south 4 degrees 5 minutes east along a line approximately 2,646 feet to a point for a corner;

Page 1 of 2

THENCE north 46 degrees 36 minutes west along a line 13,797 feet to its intersection with State Highway 276 to a point for a corner;  
 THENCE westerly along State Highway 276 approximately 1,885 feet to its intersection with FM-548 to a point for a corner;  
 THENCE northerly along FM-548 approximately 4,143 feet to a point for a corner;  
 THENCE south 72 degrees 28 minutes east along a line approximately 2,089 feet to a point for a corner;  
 THENCE northerly along a line approximately 2,214 feet to a point for a corner;  
 THENCE north 72 degrees 28 minutes west along a line approximately 800 feet to a point for a corner;  
 THENCE south 17 degrees 32 minutes west along a line approximately 755 feet to a point for a corner;  
 THENCE north 72 degrees 28 minutes west along a line approximately 1,089 feet to its intersection with FM-548 to a point for a corner;  
 THENCE northerly along FM-548 approximately 6,385 feet to a point for a corner;  
 THENCE south 48 degrees 54 minutes east along a line approximately 4,537 feet to a point for a corner;  
 THENCE north 88 degrees 13 minutes east along a line approximately 10,443 feet across the Hunt/Rockwall County line to its intersection with Hunt County Road 2584 to a point for a corner;  
 THENCE northerly along Hunt County Road 2584 approximately 3,531 feet to a point for a corner;  
 THENCE north 88 degrees 10 minutes east along a line approximately 3,002 feet to a point for a corner;  
 THENCE north 44 degrees 10 minutes east along a line approximately 1,584 feet to a point for a corner;  
 THENCE northerly along a line approximately 2,378 feet to a point for a corner;  
 THENCE north 64 degrees 48 minutes east along a line approximately 38,121 feet to a point for a corner;  
 THENCE north 11 degrees 51 minutes west along a line approximately 27,040 feet to a point for a corner;  
 THENCE south 76 degrees 48 minutes west along a line approximately 3,898 feet to a point for a corner;  
 THENCE northerly along a line approximately 4,500 feet to a point for a corner;  
 THENCE westerly along a line approximately 5,160 feet to a point for a corner;  
 THENCE north 1 degree west along a line approximately 2,765 feet to its intersection with State Highway 66 to a point for a corner;  
 THENCE northeasterly along State Highway 66 approximately 11,344 feet to a point for a corner;  
 THENCE southerly along a line approximately 3,860 feet to a point for a corner;  
 THENCE easterly along a line approximately 3,982 feet to its intersection with Caddo Creek to a point for a corner;  
 THENCE southerly along a line approximately 11,547 feet to its intersection with Interstate 30 to a point for a corner;  
 THENCE northeasterly along Interstate 30 approximately 5,868 feet to a point for a corner;  
 THENCE south 43 degrees 56 minutes east along a line approximately 1,213 feet to a point for a corner;  
 THENCE north 88 degrees 42 minutes east along a line approximately 284 feet to its intersection with Hunt County Road 2178 to a point for a corner;  
 THENCE southerly and easterly along Hunt County Road 2178 approximately 8,719 feet to its intersection with Hunt County Road 2182 to a point for a corner;  
 THENCE southerly and easterly along Hunt County Road 2182 approximately 4,048 feet to its intersection with Hunt County Road 2184 to a point for a corner;  
 THENCE southerly along Hunt County Road 2184 approximately 3,000 feet to its intersection with FM-1903 to a point for a corner;  
 THENCE easterly along FM-1903 approximately 3,977 feet to its intersection with FM-34 to a point for a corner;  
 THENCE southerly along FM-34 approximately 784 feet to its intersection with Hunt County Road 3318 to a point for a corner;  
 THENCE easterly and southerly along Hunt County Road 3318 approximately 17,848 feet to its intersection with Hunt County Road 3318 to a point for a corner;  
 THENCE easterly along Hunt County Road 3318 approximately 2,718 feet to its intersection with FM-2101 to a point for a corner;  
 THENCE northerly along FM-2101 approximately 8,924 feet to its intersection with Hunt County Road 3308 to a point for a corner;  
 THENCE easterly along Hunt County Road 3308 approximately 1,730 feet to its intersection with Hunt County Road 3304 to a point for a corner;  
 THENCE northerly along Hunt County Road 3304 approximately 4,813 feet to its intersection with Hunt County Road 3303 to a point for a corner;  
 THENCE northerly along Hunt County Road 3303 approximately 10,568 feet to its intersection with US Highway 69 and back to the place of beginning.

The following area located on the south side of the City of Caddo Mills is included in the Cash proposed Special Utility District area:

BEGINNING at the intersection of the southern city limit of the city of Caddo Mills and the center FM-36;  
 THENCE south 48 degrees 10 minutes east along the center of FM 36 approximately 1,898 feet to a point for a corner;  
 THENCE south 78 degrees 18 minutes west along a line approximately 1,251 feet to a point for a corner;

AquaSource Inc. #4 Hesco Water Systems

BEGINNING at a point on the center of Hunt County Road 2532 located approximately 2,652 feet north of intersection of Hunt County Road 2532 and Hunt County Road 2540 northwest of the City of Quinlan;  
THENCE southerly along Hunt County Road 2532 approximately 1,332 feet to a point for a corner;  
THENCE westerly along a line approximately 2,112 feet to a point for a corner;  
THENCE northerly along a line approximately 1,584 feet to a point for a corner;  
THENCE easterly along a line approximately 2,081 feet to a point for a corner;  
THENCE south 1 degree 50 minutes east along a line approximately 279 feet to its intersection with Hunt County Road 2532 and back to the place of beginning;

AquaSource Inc. #5 Williams Water Supply Corporation

BEGINNING at a point on the center of Hunt County Road 2546 located approximately 3,006 feet west of intersection of Hunt County Road 2546 and FM-36 northwest of the City of Quinlan;  
THENCE westerly and northerly along Hunt County Road 2546 approximately 4,823 feet to a point for a corner;  
THENCE north 2 degrees 35 minutes west along a line approximately 1,320 feet to a point for a corner;  
THENCE north 87 degrees 25 minutes east along a line approximately 765 feet to a point for a corner;  
THENCE south 2 degrees 35 minutes east along a line approximately 528 feet to a point for a corner;  
THENCE easterly along a line approximately 950 feet to a point for a corner;  
THENCE north 2 degrees 36 minutes west along a line approximately 1,847 feet to a point for a corner;  
THENCE north 89 degrees 22 minutes east along a line approximately 1,846 feet to a point for a corner;  
THENCE south 0 degrees 38 minutes east along a line approximately 1,584 feet to a point for a corner;  
THENCE east along a line approximately 840 feet to a point for a corner;  
THENCE southerly along a line approximately 1,320 feet to a point for a corner;  
THENCE westerly along a line approximately 1,320 feet to a point for a corner;  
THENCE southerly along a line approximately 466 feet to a point for a corner;  
THENCE westerly along a line approximately 718 feet to a point for a corner;  
THENCE south 14 degrees 59 minutes east along a line approximately 1,732 feet and back to the place of beginning;

**EXHIBIT B**

Wholesale Water Entities served by Cash SUD

Aqua Texas

City of Quinlan

**EXHIBIT C**  
Location of Point of delivery

