

NH - 8F

SERVICE CONTRACT

This Service Contract (this "Contract") is effective as of the 2nd day of, November 2020, by and between Northampton Municipal Utility District (the "District") a political subdivision of the State of Texas organized and operating under the provisions of Chapters 49 and 54, Texas Water Code, and **Water District Management Company, Inc. ("WDM")**, a Texas corporation.

RECITALS

The District owns and operates a water production and distribution system, a sanitary sewer collection and treatment system as described in Exhibit A (the "Facilities") and desires to obtain services for the competent operation, maintenance and management of such Facilities. WDM is in the business of operating, maintaining and managing water production and distribution systems, sanitary sewer collection and treatment systems, detention basins and desires to enter into this Contract with the District.

AGREEMENT

In consideration of the promises and the mutual undertakings herein contained and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the District and WDM agree as follows:

I.

SERVICES TO BE PERFORMED BY WDM

Section 1.01. General. WDM shall operate the Facilities listed in Exhibit A, to serve the purposes for which they are intended in compliance with all applicable laws and regulations, equipment manufacturers' recommendations and the provisions of this Contract. WDM will perform all of the services stated in this Article I. All such services shall be performed during regular working hours unless otherwise specified in this Contract. The cost for the services to be performed by WDM is set forth in Exhibit B and is included in the compensation to be paid by the District in accordance with Paragraph I of Exhibit C. All services shall be of good quality and be performed in a professional manner. The standard of care for all professional and related services performed or furnished by WDM under this Contract will be the care and skill ordinarily used by members of WDM's profession practicing under similar conditions at the same time in the same general locality.

Section 1.02. Staff Hours of Operation. WDM will provide a staff including no less than one operator holding Texas Commission on Environmental Quality ("TCEQ") water and wastewater licenses, a customer service/work-order representative physically located at the WDM offices located at Old Louetta, Boudreaux, Kuykendahl, and any other location that may be suitable to enhance services to the District, supported by other Customer Service representatives and other needed laborers/support personnel each Monday through Friday (except holidays as defined in Exhibit E) between the hours of 8:00 a.m. and 5:00 p.m. WDM staff will provide tools and equipment necessary to service the District's facilities efficiently.

Section 1.03. Certified Personnel. The District's Facilities shall be operated by WDM at all times only under the direct supervision of personnel possessing valid licenses and certificates of competency issued by the State of Texas in accordance with the rules and regulations of the TCEQ.

Section 1.04. Facilities Inspections. WDM will inspect the District's Facilities as required by the TCEQ and this Contract, and will maintain a written log of each inspection and related maintenance activities, in a form approved by the District, as part of the District's permanent records (including such inspections and written logs maintained relative to the District's water plants, lift stations and wastewater treatment plants as set forth in Exhibit B). WDM shall perform a weekly drive-by inspection (windshield inspection) of the District's other Facilities to check for leaks, broken or damaged meter boxes, broken or damaged valves or valve boxes, unauthorized construction, potential unauthorized connections to District Facilities, and other potential damage to District Facilities.

Section 1.05. Routine Preventive Maintenance. WDM will perform or have performed, as required, routine preventive maintenance on equipment at the Facilities, including, but not limited to, exercise of emergency equipment and redundant components, lubrication, replacing empty chlorine cylinders, and other maintenance specified by the respective equipment manufacturers as routinely necessary to maximize the useful life of the equipment (including maintenance obligations set forth in Exhibit B). In the performance of such routine preventive maintenance, WDM shall provide appropriate personnel, tools, equipment and supplies as necessary; however, WDM shall invoice the District costs as referenced in Exhibit D for expendable items or supplies. WDM will maintain permanent records for the District of the maintenance performed on the District's equipment and any associated costs.

Section 1.06. Service Center. WDM will maintain/operate service centers located at Old Louetta, Boudreaux, Kuykendahl and any other location that may be suitable to enhance services to the District (the "Service Centers"), and have operators available twenty-four (24) hours a day, each and every day of the year, including holidays. The telephone number of the Service Centers will be clearly displayed on each monthly bill sent to the District's customers as well as the District's web site, and in any District newsletter or other communication as reasonably directed by the District. Service Centers and support personnel will provide a communications interface between the District's customers, WDM management and field personnel. All WDM field personnel will utilize hand-held mobile devices for communication with various Service Centers. After-hours response time for an emergency shall not exceed thirty (30) minutes from the time the call is placed to the Service Center. The Service Centers will maintain, to the extent reasonably possible, the ability to operate during natural disasters.

Section 1.07. Telemetric Monitoring. From its Service Centers, WDM will monitor telemetric signal devices which may be installed at or in the Facilities. Installation of such devices will be at the District's discretion.

Section 1.08. Board Meetings. A representative of WDM will attend one scheduled meeting of the District's Board of Directors (the "Board") per month at no cost. Any additional meetings pertaining to the District's business, which requires a representative of WDM to attend, during regular and after business hours, will be billed according to the applicable rates set forth in Exhibit D.

Section 1.09. Monthly Operations Report. WDM will submit to the District in a format acceptable to the District a monthly operations report that will include at least the following information:

1. Total and active service connections
2. Current cash receipts from customer billings
3. Current billings to customer
4. Current receivables for customer billings
5. Aged receivables from customer billings
6. Total water usage as indicated by current customer billings
7. Total water produced from each District water plant facility master meter, as well as the total amount of water purchased, flushed and sold
8. Backcharges
9. Repairs and maintenance
10. Water accountability
11. Wastewater treatment plant reporting
12. Compliance with permits
13. Delinquent Accounts
14. Customer correspondence
15. Extra copies of all reports and correspondence made by WDM to or received by WDM from local, state or federal regulatory agencies on behalf of the District, including but not limited to, permit reports, any notices of violation or other non-compliance matters and responses to same.

The monthly operations report shall be provided at least nine (9) days before the District's monthly meeting to each member of the Board and the District's bookkeeper, engineer, general manager and attorney.

A clear audit record of all WDM transactions on behalf of the District will be maintained by WDM. Records of such transactions will be available to the Board and the District's general manager and auditor during normal working hours. WDM will cooperate in, and provide adequate working space for, the preparation of audits.

Section 1.10. Compliance Reports. WDM will prepare and submit all operational and compliance reports required by the TCEQ, the United States Environmental Protection Agency, and any other local, state or federal agency. Routine and non-routine reports and / or Agency correspondence, such as, but not limited to, Lead and Copper, CCR, Public Notices, Annual reports, to be billed to the District based on applicable personnel, equipment and material rates as referenced in Exhibit D. WDM will also coordinate all responses on behalf of the District in consultation with the District's engineer, general manager and/or attorney, as necessary.

Section 1.11. Waste Disposal Operator shall arrange for the removal and proper disposal of sludge from the District's wastewater treatment plant in accordance with the requirements of the District's waste discharge permits and in compliance with all rules, statutes and regulations governing same. Operator shall maintain detailed records including hauling manifests relative to same. District shall bear all hauling, disposal and administrative costs.

Section 1.12. Operational Budgeting. WDM will coordinate with the District's bookkeeper to prepare an annual operations budget for review and approval by the District each year as part of the District's annual budgeting process. WDM will work with the District's bookkeeper or other accountant to review and report the District's budget performance at least quarterly throughout the District's fiscal year. Additionally, WDM will work with the District in the preparation of, and annual updates of, a five-year operations and capital improvements budget.

Section 1.13. Correspondence and Inquiries. WDM will respond to all correspondence and/or inquiries from the District's Board, consultants or customers in a prompt and professional manner. Excessive time with residents will be billed as set forth in Exhibit D.

Section 1.14. Customer Relations. WDM will render to the District any and all reasonable assistance in the promotion of good relations with the District's customers.

Section 1.15. Billing and Collections Services. WDM will bill each District customer in accordance with the District's then current official Rate Order. Adjustments to billing are from time to time necessary and appropriate therefor, WDM may make adjustments to billings for up to \$75.00 without prior authorization from the District's Board (though such adjustments shall be reported to the Board), for clerical errors, over or under registration by water meters, erroneous meter readings, establishment of water usage during a time when the meter has been inoperative, and other similar situations. Adjustments in excess of \$75.00 will be referred to the Board for approval. WDM will exercise due diligence and good business practices in making such adjustments.

Section 1.16. Deposit of District Funds. WDM will deposit daily all funds received from the District's customers into an account designated as the District's "Operating Account" at a bank or other qualified depository selected by the District. All funds which WDM collects on behalf of the District are public funds and are pledged to the payment of the debts and/or operating expenses, as appropriate, of the District. WDM has no right to set-off, counterclaim, abatement, suspension or diminution rights against such funds.

Section 1.17. Meter Reading. WDM will read all water meters served by the District's water system once each calendar month over a 5-day period set by the District. WDM will maintain a quality assurance program to maintain reading accuracy. When WDM re-reads a meter at the request of the District, customer or when an apparent discrepancy appears, such time will be billed at the rates set forth in Exhibit D.

Section 1.18. Red Flag Identity Theft Protection. WDM agrees to implement the District's Identity Theft Prevention Program, a copy of which has been provided to WDM, and to act as the District's Program Administrator with respect to same.

II.

COOPERATION WITH DISTRICT REPRESENTATIVES.

WDM will cooperate fully with all representatives of the District, including the District's general manager, engineer, attorney, bookkeeper and auditor, as set forth in Exhibit B. Additional

requested reports will be provided to the District's general manager, engineer, attorney, bookkeeper, and auditor and such time will be billed at the rates set forth in Exhibit D.

OTHER OPERATIONAL SERVICES TO BE PERFORMED BY WDM

Section 2.01. General. WDM will provide the other operational services stated in this Article II. All such services shall be performed during regular working hours unless otherwise specified in this Contract. For such services, the District will pay WDM the rates as set forth in Exhibit D, as applicable, unless otherwise noted in this Article II.

Section 2.02. Emergency Repairs. WDM will respond to any emergency (as hereinafter defined) throughout the year, regardless of the day or the time of day, within the time period specified in Section 1.06 above and with personnel specified in Section 1.03 above. In all cases where, in the opinion of WDM, the estimated costs of repair will exceed the dollar amount specified as "Authorized Maintenance Level" in Paragraph II of Exhibit C, WDM will contact the authorized District Representative, Board member or, if unavailable, any other Board member to notify the District of the particular situation. Where appropriate, WDM will simultaneously notify the District engineer. The fact that said notification cannot be made in a timely manner will neither relieve WDM of its responsibility to perform the required repair, nor limit the cost of repairs billed in accordance with the pricing covenants of this Contract, in accordance with Exhibit D.

Emergencies are defined as, but are not limited to:

1. A hazardous condition;
2. A loss of water pressure or serious degradation of water quality at one or more customer locations; or any event related to the water system that would violate regulatory requirements; or
3. A blockage or overflow of any type in the sanitary sewer collection system; or
4. A condition that, in the opinion of WDM, or any authorized District representative, poses an immediate threat to develop into one of the three emergencies listed above.

Section 2.03. Non-Emergency Repairs. WDM will, during its regular workday, perform repairs that are not emergencies, as defined in Section 2.02 above. WDM will schedule such non-emergency repairs on a first-call, first-served basis, unless specifically asked to accelerate its response to a particular item by an authorized District representative. WDM must receive approval from the authorized District Representative, Board member or, if unavailable, any other Board member to notify the District of the particular situation prior to performing non-emergency repairs when, in WDM's reasonable opinion, the estimated cost of said repair will exceed the dollar amount specified as "Authorized Maintenance Level" in Paragraph II of Exhibit C. Where appropriate, WDM will consult with the District general manager or engineer (if necessary) prior to performing non-emergency repairs, including, but not limited to, pump and motor repairs or replacements, modifications to designed District facilities and equipment, etc. WDM shall bill the District for the cost of labor, equipment and material in accordance with Exhibit D.

Section 2.04. Chemical and Generator Fuel Inventories. WDM will manage and maintain an inventory of chemicals and generator fuel routinely used in the operation of the Facilities. Chemical and fuel inventories will be stored at the Facilities in quantities sufficient to assure continuous operation of the Facilities and maintain regulatory compliance. WDM shall bill the District for the cost of labor, equipment and material as set forth in Exhibit D. No additional surcharges on invoiced chemical purchases or additional billing related to tasks described above.

Section 2.05. Water Main Flushes. WDM will routinely flush dead-end water mains, not looped back to the system, within the District's water distribution system in accordance with state requirements to minimize the potential for taste, odor or turbidity problems associated with low flows in such dead-end water mains. WDM shall service flushing valves at the time of the flushing required in this section. After flushing the water distribution system as required in this section, WDM shall report the flushing at a District meeting. In addition, WDM will promptly investigate each water quality concern or complaint received from District customers and will take appropriate action to address such complaints including, if appropriate, flushing the related water main(s). WDM shall bill the District for the cost of labor, equipment and material for additional flushing in exceedence of 12 hours included in the service fee and in accordance with Exhibit D.

Section 2.06. Bacteriological Analysis. WDM will submit water samples to an authorized laboratory accredited by the State of Texas under the National Environmental Laboratory Accreditation Program (NELAP) in compliance with TCEQ regulations. All test results will be kept as part of the District's records and copies of same shall be provided to the District. WDM shall bill the District for the cost of labor, equipment and material in accordance with Exhibit D.

Section 2.07. Other Laboratory Testing. WDM will perform, or have performed, all other sampling and laboratory analyses necessary to maintain a safe water supply and meet applicable state and federal waste discharge requirements for the Facilities. Additionally, WDM will perform, or have performed, other tests, including, but not limited to, those requested by the District, the TCEQ, the Environmental Protection Agency, or any other governmental agency with jurisdiction over the Facilities. WDM shall bill the District for the cost of labor, equipment and material in accordance with Exhibit D.

Section 2.08. Materials Purchasing. Cost of materials billed and/or sold to the District by WDM will be billed in accordance with Exhibit D.

Section 2.09. Single-Family Meter Installations. WDM will install a meter to serve a single-family residence within ten (10) working days after receipt of the residential tap and inspection fees specified in the District's then current official Rate Order. Meter installations will meet American Water Works Association standards and applicable District requirements. The District will pay WDM for these meter installations in accordance with Exhibit D. Upon authorization from the Board, meter installation may be withheld from a person or an entity which has an overdue account balance with the District.

Section 2.10. Commercial Meter Installations. Following the District engineer's approval of the site plan, development of the site, inspection of all private utilities inside and outside the building(s) as required by the District, and District's receipt of the recorded plat for the development, WDM will install all commercial and other non-single family residential meters within ten (10) working days after receipt of the tap and inspection fees specified in the District's then current official Rate Order. The District will pay WDM for said meter installations in accordance with Exhibit D. Upon authorization from the Board, meter installation may be withheld from a person or an entity which has an overdue account balance with the District.

Section 2.11. Utility Charges. Electric and telephone service accounts for the Facilities shall be in the name of the District and charges for such service shall be paid directly by the District.

Section 2.12. Printing and Postage. WDM will charge the District the then current USPS rate for all postage. WDM will charge the District for billing stock in accordance with Exhibit D.

Section 2.13. Delinquent Accounts. WDM will collect delinquent accounts under such terms and conditions as may, from time to time, be set by the District's then current Rate Order. WDM will charge the District for services related to delinquent accounts in accordance with Exhibit D.

Section 2.14. Inspections. WDM will inspect each connection to the District's Facilities to assure compliance with all applicable TCEQ rules and regulations and District policies, including the District's then current Rate Order and Rules and Regulations Governing Sewer House Lines and Sewer Connections. WDM shall also perform the inspections listed in Exhibit D at the rates set forth therein. WDM shall also perform such other inspections as the District may request in accordance with Exhibit D.

Section 2.15. Meter and Meter Box Replacements. WDM will replace faulty and stuck meters. Meters less than 1.5" with more than 1 million gallons usage will be replaced as directed by the District or in accordance with any meter replacement policy adopted by the District. WDM will also have all meters 1.5" or greater tested for accuracy annually and report the results to the District. In addition, WDM will replace damaged meter boxes and lids. WDM will charge the District for services related to meter and meter box replacements in accordance with Exhibit D.

Section 2.16. Grounds Keeping. Facilities will be maintained in a neat and orderly condition and in good housekeeping appearance appropriate to the residential neighborhood. Housekeeping logs detailing activities identified, and their disposition shall be kept at each facility to ensure that these practices are being regularly pursued.

Section 2.17. Contractor Work on Facilities. A WDM representative shall provide on-site assistance and consultation when any component of the Facilities, such as a motor or pump (though not limited to same), is being removed from or returned to the Facilities by a third party contractor. A WDM representative shall provide on-site assistance and consultation when any new equipment or component is being added to the Facilities by a third party contractor. WDM will also provide access to the third party contractor and inspect the Facilities for

damaged after such work is complete. WDM to check gates to facilities at the end of the day to ensure gates are locked after subcontractors leave the site. WDM shall bill the District for the cost of labor and equipment to supervise, assist and inspect contractor work in accordance with Exhibit D.

Section 2.18. Equipment Appearance. To maintain a neat appearance of the Facilities, WDM shall provide painting touch-up services for pumps and piping. WDM shall not, however, be required to repaint major pieces of equipment in the Facilities. The District shall reimburse WDM for the labor and equipment at the applicable rates set forth in Exhibit D and the cost of materials provided by WDM to perform touch-up services as set forth in Paragraph III of Exhibit C.

Section 2.19. Fire Hydrants. WDM will visually inspect and flow-test/service all fire hydrants within the District at least once annually or as otherwise authorized by the District, and will submit a written status report to the District and, if required, any fire department serving the District. Any repairs necessary shall be described in the status report and will be considered non-emergency repairs as defined by Section 2.02 unless a fire hydrant is non-operational. If a fire hydrant is found to be non-operational, unless directed otherwise by the Board, WDM will coordinate with the District and make any necessary repairs so that the fire hydrant can be operated as soon as possible. With prior approval from the District, WDM will mark the hydrant out of service with a black plastic bag or other acceptable means of marking and scheduled for repair within seven (7) days. Additionally, WDM will replace or install blue dot reflectors on the roadway adjacent to each hydrant as necessary. WDM shall bill the District for the cost of labor, equipment and material in accordance with Exhibit D.

Section 2.20. Valves. WDM will perform ongoing water distribution valve inspections and submit a written report of inspections to date to the District at least once annually or as otherwise authorized by the District. Any repairs necessary will be considered non-emergency repairs covered by Section 2.03. WDM shall bill the District for the cost of labor, equipment and material in accordance with Exhibit D.

Section 2.21. Backcharge Damage. In accordance with the District's then current Rate Order, WDM will send invoices and service order documentation and photographs, if required, to each party responsible for the damage to any of the Facilities once per month for a period of up to three (3) consecutive months until the balance is paid. Upon authorization from the Board, WDM will coordinate with the District's designated collection attorney or agent in an attempt to collect any outstanding back charges and will terminate service if authorized by the District in accordance with the then current Rate Order.

Section 2.22. Lift Station Inspection and Cleaning. At least five (5) times per week, WDM will inspect each of the District's lift stations, cycle each pump and record the run time. At least once every six (6) months, or more often if necessary, WDM will pressure wash, remove and dispose of accumulated solids, debris, and grease from each of the District's lift stations.

Section 2.23. Sanitary Sewer Manhole Inspection. Subject to the District's prior approval, WDM will perform an ongoing sanitary sewer manhole inspection program, with subsequent reports submitted to the District. This program shall include a visual inspection of

the top of the sanitary sewer manhole and the surrounding area and a visual inspection of the inside of the sanitary sewer manhole as can be seen from the top without physically entering. Any repairs necessary will be presented to the District for prior approval and be considered non-emergency repairs as defined by Section 2.02. WDM shall charge for time and materials as described in the Contract for this inspection program as set forth in Exhibit D.

Section 2.24. Well Testing. WDM will perform or oversee the Well Production tests on the District's water wells. A written report of the test results will be submitted to the Board, the District's engineer and general manager and become part of the District's records. The District's engineer shall be notified in advance of the date and time any such tests will be performed. WDM shall bill the District for the cost of labor, equipment and material in accordance with Exhibit D.

Section 2.24.1. Production Evaluation. Water well production evaluation tests will be performed semi-annually, and more often in exceptional circumstances with the District's prior approval, to measure the following: Capacity (GPM), pumping level, drawdown (feet), specific capacity, field head (feet), overall efficiency, connected horsepower, utilized horsepower, kilowatt input, KWH per million gallons, amperage draw, pump speed (RPM), sand production, pump submergence, and well meter accuracy.

Section 2.24.2. Vibration Analysis. An annual vibration analysis will be performed on the well pump and related rotating equipment.

III.

INSURANCE

Simultaneous to the execution of the Agreement, Operator will furnish the District with Certificates of Insurance with a company or companies satisfactory to District, evidencing:

A. Workmen's Compensation and Employer's Liability

B. Comprehensive General Liability including coverage of risks mentioned hereinafter in amounts not less than:

Bodily Injury	\$	1,000,000	per person
(all hazards)		1,000,000	per occurrence
		1,000,000	aggregate
Property Damage		1,000,000	per occurrence
(other than automobile)		1,000,000	aggregate
Umbrella coverage		5,000,000	per occurrence
Automobile Liability		1,000,000	per occurrence

Such policies of insurance shall name District as additional insured with a waiver of subrogation. The certificates of insurance shall provide that the District be provided with a thirty (30) days prior written notice of any cancellation or reduction of coverage.

IV.

GUARANTIES, INDEMNITY AND LIMITATIONS

Section 4.01. Guaranties. WDM will use generally accepted business practices in procuring materials and equipment. WDM will be neither responsible nor liable for any manufacturer's guaranty or guaranties of, or in connection with, such materials or equipment. WDM will use reasonable efforts to obtain the standard guaranties applicable in the particular industry manufacturing such materials or equipment, and will assign same to the District. WDM will provide a one-year warranty on workmanship for all materials or equipment installed by WDM personnel or WDM subcontractors. WDM will develop a list of recommended spare parts to be maintained at the Facilities and will deliver inventory and replenish said parts on a regular basis.

SECTION 4.02. Indemnity. AS PART OF THE CONSIDERATION FOR THE CONTRACT, WDM, FOR ITSELF AND ITS EMPLOYEES, SUCCESSORS AND ASSIGNS, AGREES TO INDEMNIFY AND HOLD HARMLESS THE DISTRICT AND ITS OFFICERS, DIRECTORS, REPRESENTATIVES AND AGENTS (THE "DISTRICT INDEMNITEES") FROM EVERY LOSS, DAMAGE, INJURY, COST, EXPENSE, CLAIM, JUDGMENT OR LIABILITY OF EVERY KIND OR CHARACTER, WHETHER IN CONTRACT, TORT OR OTHERWISE, WHICH ARISES DIRECTLY OR INDIRECTLY FROM WDM'S WILLFUL, INTENTIONAL, RECKLESS OR NEGLIGENT (WHETHER ACTIVE, PASSIVE OR GROSS) ACTS OR OMISSIONS RELATED TO OR ARISING FROM THIS CONTRACT. THIS INDEMNITY AND HOLD HARMLESS AGREEMENT WILL APPLY WHETHER SUCH ACTS OR OMISSIONS ARE BY WDM, ITS EMPLOYEES, OR ANY SUBCONTRACTOR OR AGENT OF WDM. ADDITIONALLY, WDM SHALL INDEMNIFY THE DISTRICT INDEMNITEES FROM ANY AND ALL LIABILITY, LOSS OR DAMAGE THAT ONE OR MORE OF THE DISTRICT INDEMNITEES MAY SUFFER AS A RESULT OF CLAIMS, DEMANDS, COSTS OR JUDGMENTS AGAINST SUCH DISTRICT INDEMNITEE ARISING OUT OF THE FAILURE OF WDM, ITS EMPLOYEES, SUCCESSORS, ASSIGNS, SUBCONTRACTORS OR AGENTS, TO CONFORM TO THE STATUTES, ORDINANCES, OR OTHER REGULATION OR REQUIREMENTS OF ANY GOVERNMENTAL AUTHORITY IN CONNECTION WITH THE OPERATION OF THE FACILITIES UNDER THIS CONTRACT, UNLESS FAILURE TO SO CONFORM WAS A DIRECT RESULT OF WDM FOLLOWING THE EXPRESS WRITTEN INSTRUCTION OF THE BOARD OF DIRECTORS OR GENERAL MANAGER OF THE DISTRICT. THE PROVISIONS OF THIS SECTION 4.02 SHALL SURVIVE ANY TERMINATION OF THIS CONTRACT.

Section 4.03. Reasonable Diligence. WDM agrees to use due diligence and good business practices in the operation of the Facilities. WDM will be liable for any direct or indirect loss, injury or damages resulting from the diminution or interruption of service within the Facilities that is caused by the willful misconduct or negligence (whether active, passive or gross) of WDM, its employees, representatives, agents or subcontractors.

Section 4.04. Force Majeure. Neither the District nor WDM will be in default if performance of their respective obligations under this Contract is delayed, disrupted or becomes

impossible because of any act of God, war, hurricane, earthquake, fire, strike, work stoppages, accident, civil commotion, epidemic, act of government, its agencies or offices, or any other cause similar beyond the control of the party affected (collectively, "Force Majeure"). Upon occurrence of any such event, WDM will operate the Facilities to the best of its ability under the circumstances, and WDM will not be responsible for any damages, fines, penalties or claims resulting therefrom. If any additional expense is incurred by WDM in such operation, that expense will be deemed to be an extraordinary expense, all of which will be paid by the District to WDM in accordance with Paragraph V of Exhibit C. No event of Force Majeure will allow for the delay or disruption of the respective financial obligations of WDM or the District except in the event of widespread economic collapse or banking failures within the United States of America.

Section 4.05. Compliance with Applicable Laws. WDM will operate the Facilities in compliance with all applicable local, state, and federal laws, rules and regulations.

Section 4.06. Fines and Penalties. Provided that (a) this Contract is in force, (b) the Facilities meet the TCEQ design criteria, and (c) the District has not rejected or otherwise failed to approve any of WDM operational recommendations which would have prevented the violation, WDM will pay any and all fines or penalties assessed against the District as a result of actions taken by TCEQ, the Environmental Protection Agency or Harris County, Texas. The District's failure to approve WDM's operational recommendations that would have prevented the violation(s) which result in fines or penalties will relieve WDM of any responsibility under this Section 4.06 to pay the applicable fines or penalties.

V.

PAYMENTS

The District will pay WDM for services to be rendered under this Contract in accordance with the fee schedules contained in Exhibit C, Exhibit D and Exhibit E and as otherwise specifically provided in this Contract. WDM shall provide its invoices to the District bookkeeper at least nine (9) business days prior to the next scheduled meeting of the Board. All invoices shall be in a form acceptable to the District's bookkeeper. To the extent permitted by law, payment of invoices by the District shall be governed solely by the Texas Prompt Payment Act, Chapter 2251 of the Texas Government Code. WDM hereby waives any other rights or remedies it may have with respect to payment of invoices.

VI.

TERM, TERMINATION, AND RECORDS

Section 6.01. Term. This Agreement shall be and remain in effect for a period of three years from the date hereof and shall renew automatically thereafter for additional one (1) year periods; Operator must notify the District of its intent to increase fees no later than sixty (60) days prior to the anniversary date of this Agreement. Such fee adjustments are not to exceed the change in the Consumer Price Index for the most recent 12 month period.

Section 6.02. Termination. Either party to this Contract may terminate this Contract, either with or without cause, by delivering thirty (30) days' prior written notice to the other party in accordance with and to the address in Section 7.07 below. Upon termination of this Contract, the District shall pay WDM within the time period provided above any outstanding payment due and owing to WDM for work performed prior to the termination date; provided, however, the District shall have the right to reduce such final payment as a set-off for any direct damages incurred by the District related to WDM willful, intentional, reckless or negligent (whether active, passive or gross) acts or omission in connection with the services performed under this Contract.

Section 6.03. District Records. WDM agrees that all records of the District held by WDM will be maintained in accordance with the provisions of the Public Information Act, Chapter 552, Texas Government Code, and the Local Government Records Act, Chapters 201-203, Texas Local Government Code, each as amended. If this Contract is terminated, WDM will deliver to the District or the District's designated agent, all of said records at no cost to the District not later than thirty (30) days following the effective date of termination, with the exception of all records related to billing and other items necessary for the continued operation of the Facilities, which shall be delivered no later than the effective date of termination. WDM may make copies, at WDM's expense, of those records.

VII.

MISCELLANEOUS

Section 7.01. Record Drawings. The District will provide WDM with access to all available record drawings of the Facilities. The District will provide WDM with three (3) sets of record drawings available for the water plant facilities and overall drawings of the District's water, sanitary sewer and drainage facilities. And the District will provide the desired number of copies of any other available drawings at WDM's request. WDM will maintain these drawings in a manner that allows their efficient and effective use in solving problems related to the Facilities.

Section 7.02. Identification. WDM employees will readily identify themselves when communicating within the District and with District customers. WDM maintenance and operating personnel will possess pictured I.D. cards and wear distinctive clothing bearing WDM name. WDM vehicles will display WDM name. All other WDM employees will possess pictured I.D. cards.

Section 7.03. Modification. Modification of this Contract may be made only by a written document signed by WDM and the District.

Section 7.04. Assignability. Neither WDM nor the District may assign its interest in this Contract without the prior written consent of the other party.

Section 7.05. Subcontract Repairs. With the District's best interest in mind and acting in good faith with the requirements of this Contract, WDM may subcontract any repairs and/or services that WDM is to perform under this Contract, all as WDM deems appropriate, provided that the District approves of the subcontractor. However, such subcontracting shall not

relieve WDM of any of its obligations under this Contract, and subcontractors shall be considered to be employees of WDM for the purposes of delineating those responsibilities. WDM shall require all subcontractors to carry insurance of the types and in the minimum amounts set forth in Article III of this Contract. WDM shall supervise and inspect all subcontracted repairs or services performed under the terms of this Contract. The District may, at its discretion, engage its own contractor for certain repair services. In that event, the District agrees that WDM shall not be responsible for the quality or timeliness of those services. WDM will invoice the District for managing subcontractors as set forth in Paragraph IV of Exhibit C.

Section 7.06. Independent Contractor. WDM, its employees, agents and subcontractors are not the District's employees. WDM serves the District solely as an independent contractor.

Section 7.07. Notice. Any notice required under this Contract will be in writing and sent by certified mail with return receipt or by hand delivering with return receipt to the intended party's address of record. Notice will be deemed given as of the date of the return receipt when mailed or delivered to the following addresses:

WDM: Water District Management Company, Inc.
Post Office Box 579
Spring, Texas 77383

District: Northampton Municipal Utility District
6012 Root Road
Spring, Texas 77389
with copy to: Bacon & Wallace LLP
6363 Woodway Dr. Ste 800
Houston, Texas 77057

The parties may change the respective address by giving the other party fifteen (15) day's written notice.

Section 7.08. Place of Performance. The place of performance of this Contract shall be Harris County, Texas.

Section 7.09. Venue; Attorney Fees and Costs. Venue shall lie in Harris County, Texas. The prevailing party in any such suit shall be awarded reasonable attorney's fees and court costs.

Section 7.10. Parties in Interest. This Contract shall be for the sole and exclusive benefit of the parties hereto and shall not be construed to confer any benefits or rights upon any other person or entity, including, without limitation, the customers of the District.

Section 7.11. Counterparts. This Contract may be executed in one or more original, electronic or facsimile counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same document.

Section 7.12 Severability. The invalidity or unenforceability of any particular provision, or any part thereof, of this Contract shall not affect the other provisions hereof and this Contract shall be construed in all respects as if such invalid or unenforceable provision were omitted.

[SIGNATURES COMMENCE ON THE FOLLOWING PAGE]

NORTHAMPTON MUNICIPAL UTILITY DISTRICT

By: E. C. Thomas
E.C. Thomas
President
Board of Directors

By: W. Paul Schneider
~~Fed Trimbler~~ W. Paul Schneider
~~Secretary~~ Vice President
Board of Directors

WATER DISTRICT MANAGEMENT COMPANY, INC.

By: David B. Rowe
David B. Rowe
President

By: Donna Smith
Donna Smith
Secretary / Treasurer

EXHIBIT A

THE FACILITIES

District's Water Facilities

- The District owns and operates three (3) water plants:
 - Water Plant No. 1 6010 Root Road
 - Water Plant No. 2 24400 Northcrest Drive
 - Water Plant No. 3 24780 Gosling Road

District's Collection System

- The District owns and operates seven (7) sanitary sewer lift stations.
 - Onsite Lift Station 24235 Gosling Road
 - Lift Station No. 1 25009 Northcrest Drive
 - Lift Station No. 2 5722 Root Road
 - Lift Station No. 3 24603 West Kingscrest Circle
 - Lift Station No. 4 24038 Bridge Way
 - Lift Station No. 5 24100 Rosedale Oaks Drive
 - Lift Station No. 6 23950 Gosling Road

District's Wastewater Facilities

- The District owns two (2) wastewater treatment facilities.
 - Wastewater Treatment Plant No. 1 24235 Gosling Road
Located on south side of Dovershire Drive
 - Wastewater Treatment Plant No. 2 Same as WWTP No. 1
Located on north side of Dovershire Drive

EXHIBIT B
TYPICAL OPERATOR
DUTY OUTLINE

Below is a list of minimum duties the operator has for each facility as they may apply. This list is not all-inclusive and is meant to be a guide for the minimum duties to be performed by the District's operator.

B* Checking or overseeing will be under Basic Services but the use of specialized equipment/personnel will be priced as per Exhibit D. These additional charges will be itemized on the District's invoice.

NB Not under Basic Services.

WATER PLANTS

1. Record water production meter reading(s)	seven days/week	B*
2. Record well run time	seven days/week	B*
3. Record day temperature	seven days/week	B*
4. Record rainfall	seven days/week	B*
5. Record elapsed time meters (ETM)	seven days/week	B*
6. Check lubricant in well oiler	seven days/week	B*
7. Record ground storage tank level(s)	seven days/week	B*
8. Record water system pressure	seven days/week	B*
9. Record hydro-pneumatic tank air levels	seven days/week	B*
10. Record Cl2 feed rate	seven days/week	B*
11. Record Cl2 usage	seven days/week	B*
12. Measure/record plant free Cl2 residual	seven days/week	B*
13. Check Cl2 system for leaks	seven days/week	B*
14. Check fence line	seven days/week	B*
15. Police Grounds	five days/week	B*
16. Record CenterPoint incoming power	five days/week	B*
17. Manually exercise booster pumps	once per week	B*
18. Exercise each water well	once per week	B*
19. Check well flow rate, calculate GPM and record	once per week	B*
20. Test Auto Dialer via phone	once per week	B*
21. Exercise Plant backup generator	once per week	B*
22. Maintain all weekly and monthly log sheets	as required	B*
23. Coordinate state analytical sampling	as required	B*
24. Maintain chemical inventory	continuous	B*
25. Coordinate Well Performance Test	semi-annual	NB
26. Clean well oiler.	semi-annual	NB
27. Evaluate/replace lubricant in booster pump motor housing.	semi-annual	NB
28. Coordinate and oversee chlorination system PM	semi-annual	NB
29. Coordinate and oversee Well Flow meter calibration	semi-annual	NB
30. Coordinate and oversee all preventative maintenance	as needed	NB
31. Maintain general housekeeping	as needed	B*
32. Check hydro-pneumatic tank heat source	as needed	B*
33. Coordinate and oversee electrical survey and PM	annually	NB

DISTRIBUTION AND COLLECTION SYSTEM

1. Measure/record system free chlorine residual	once daily	B*
2. Survey District for repairs while in the District	daily	B*
3. Collect and submit bacteriological samples	monthly	NB
4. Flush dead-end waterlines (up to 12 hours monthly)	as required	B*
5. Coordinate backflow device testing	annually	NB
6. Coordinate backflow device insulation	annually	NB
7. Coordinate commercial meter accuracy testing	annually	NB
8. Hydrant Flushing and Maintenance	annually	NB
9. Perform Nitrification Testing	as required	NB
10. Coordinate, collect and submit Lead and copper sampling	as required	NB

LIFT STATIONS

1. Record day temperature	five days/week	B*
2. Record rainfall	five days/week	B*
3. Record lift station ETM and run times.	five days/week	B*
4. Check wet well levels	five days/week	B*
5. Exercise and rotate lift pumps as needed.	once per week	B*
6. Inspect fence line	five days/week	B*
7. Police grounds	five days/week	B*
8. Maintain all weekly and monthly log sheets	as required	B*
9. Check automated control system	once per week	B*
10. Test Auto Dialer via phone	once per week	B*
11. Exercise Lift Pump Backup Control System	monthly	NB
12. Coordinate and oversee wet well cleaning	as needed	NB
13. Exercise stations under auxiliary generator power	as needed	NB
14. Coordinate and oversee electrical survey and PM	annually	NB

WASTEWATER TREATMENT PLANT

1. Maintain chemical inventory	continuous	B*
2. Clean floatables from aeration, clarifier, filter and effluent basin	five days/week	B*
3. Measure/record effluent total chlorine residual	seven days/week	B*
4. Record daily flow	seven days/week	B*
5. Perform chlorine test kit standardization	seven days/week	B*
6. Inspect chemical feed equipment and adjust if needed	seven days/week	B*
7. Check lift station wet well level	seven days/week	B*
8. Inspect lift pump alarms, start sequences, run times	seven days/week	B*
9. Check operation of mechanical screens	seven days/week	B*
10. Check fence line	seven days/week	B*
11. Check chlorine, and SO2 chemical storage tank inventory	seven days/week	B*
12. Ensure proper lubrication and operation of mechanical equipment	seven days/week	B*
a. i.e. blowers, pumps, screens, etc.		
b. See specific manufacturer O&M literature		

WASTEWATER TREATMENT PLANT (continued)

13. Check cleaning cycle of filters and backwash pumps	seven days/week	B*
14. Check non-potable pump filters to ensure proper operation	seven days/week	B*
15. Check screenings container for drainage and odors	seven days/week	B*
16. Check oil level site glass for blowers and fill as necessary	seven days/week	B*
17. Confirm accuracy of flow meter to staff gauge measurement	once per week	B*
18. Test sludge depth in effluent basin	once per week	B*
19. Inspect blower air filters	monthly	B*
20. Inspect surface of wet well for debris and grease build up	monthly	B*
21. Inspect safety equipment	monthly	B*
22. Inspect all personal protective gear	monthly	B*
23. Check outfall for debris, solids, and grease	monthly	B*
24. Confirm proper sampler settings	monthly	B*
25. Check stand-by power fluid levels	monthly	B*
26. Check area lighting operation	monthly	B*
27. Confirm laboratory sampling is conducted as required by permit	as required	B*
28. Maintain all weekly and monthly log sheets	as required	B*
29. Perform process control monitoring tests	as needed	B*
30. Perform control adjustments to maintain optimal process	as needed	B*
31. Check equipment that is in operation for proper function	as needed	B*
32. Ensure rooms are clean and orderly. Sweep floors, remove cobwebs to maintain a neat and tidy appearance	as needed	B*
33. Clean manual bar screen	as needed	B*
34. Clean staff gauge of debris	as needed	B*
35. Clean Probes and Analyzers	once per week	NB
36. Check automation settings	quarterly	NB
37. Perform sampler maintenance as required	quarterly	NB
38. Calibrate probes, analyzers, and turbidity meters	quarterly	NB
39. Coordinate and oversee electrical survey and PM	annually	NB
40. Perform required process control / permit testing	as required	NB
41. Coordinate analytical sampling	as required	NB
42. Coordinate plant inspections	as required	NB
43. Check lighting in buildings, replace burned out bulbs/fixtures	as needed	NB

GENERATORS / ALL LOCATIONS

1. Exercise generator	once per week	B*
2. Check engine battery	once per week	B*
3. Check engine lubricants and fluids	once per week	B*
4. Exercise Automatic Transfer Switch	monthly	B*
5. Coordinate Load Bank Testing	annual	NB
6. Coordinate Preventative Maintenance	annual	NB

ADMINISTRATIVE

1. Provide a 24 hour phone service	continuous	B*
2. Assist District customers with billing and service problems	continuous	B*
a. Excessive time spent (lasting more than 15 min.) with residents will be billed at the applicable rates in <u>Exhibit C.</u>		
3. Receive and process billing deposits	continuous	B*
4. Collect Deposits	continuous	B*
5. Deposit collected monies in District's account	continuous	B*
6. Attend one Board meeting	monthly	B*
a. Additional Board meetings will be billed at hourly rates as referenced in <u>Exhibit D.</u>	as needed	NB
7. Provide 24 hour emergency response	continuous	NB
8. Monitor/respond to telemetric devices	continuous	NB
9. Meter Readings (Non-AMI Meters)	one per month	NB
10. Monthly Meter Re-reads	one per month	NB
11. Computerized bills	one per month	NB
12. Delinquent account disconnect checks	one per month	NB

REPORTS

1. Prepare and submit NHCRWA readings	daily	B*
2. Prepare and present written operations summary	one per month	B*
3. Accounts Receivable and General Ledger	one per month	B*
4. Prepare Delinquency list	one per month	B*
5. Prepare and submit Write off list	one per month	B*
6. Prepare and submit wastewater discharge monitoring report	one per month	B*
7. Prepare, collect and submit District Backcharges	one per month	B*
8. Operational Budgeting	annually	B*
9. Prepare and submit Biosolids Management DMR	annually	NB
10. Texas Water Development Board	as required	NB
11. Prepare and submit Consumer Confidence Report	annually	NB
12. Prepare and submit DLQOR	quarterly	NB
13. Prepare and submit Critical Load List	annually	NB
14. Texas Water Development Board	annually	NB
15. HGSD – "Subsidence"	annually	NB
16. Audit	annually	NB
17. Tier II Reporting	annually	NB
18. AWIA Risk and Resilience Assessment	as needed	NB
19. Emergency Response Plan	as needed	NB
20. Emergency Preparedness Plan	as needed	NB
21. Monitoring Plan	as needed	NB

EXHIBIT C

COMPENSATION FOR SERVICES

- I. **BASE OPERATIONS FEE:** For and in consideration of basic services outlined in Article I of the Contract and rendered to and on behalf of the District by WDM, the District agrees to pay to WDM each month, the base operations fee set forth below.
 - A. \$1.35 times the total number of accounts/meters located in the District during the monthly billing period which serve a single-family residence and each multi-family facility; plus
 - B. \$1.35 times the total number of all commercial meters located in the District which include religious, irrigation or institutional meters located in the District during the monthly billing period which are not described in Sub-Paragraph A above; plus
 - C. \$3,000.00 flat rate for the basic operation of the District's seven (7) lift stations at a minimum five (5) times a week; plus
 - D. \$4,000.00 flat rate for the basic operation of the District's three (3) water plants as required by the TCEQ; plus
 - E. \$6,000 flat rate for the basic operation of the District's two (2) wastewater treatment plants as required by the TCEQ.
- II. **AUTHORIZED MAINTENANCE LEVEL:** Consistent with the principles of effective cost containment, efficient maintenance and maximization of operational procedures, the District authorizes WDM to perform non-emergency repairs when, in WDM's opinion, the cost to the District of such repairs will not exceed \$2,500.00.
- III. **MATERIALS:** Cost of materials billed and/or sold to the District by WDM will include an administrative fee of 10% for those under \$2,000.00 as provided in this Contract. Those materials billed and/or sold to the District over \$2,000.00 will be billed to the District by WDM with 5% administrative fee.
- IV. **SUBCONTRACT(S):** WDM supervision and inspection fees for subcontracts will be as described in Paragraph III above. Materials, as provided in this Contract. WDM will apply Paragraph III, for the cost of the subcontractor and bill for time involved in supervision, assistance and inspection. Notwithstanding the foregoing, for all repairs and/or service that WDM is qualified and capable to perform but have been performed by a subcontractor in accordance with Section 7.05 of the Contract, WDM shall invoice the District for no more than if WDM had actually performed the work itself.
- V. **EXTRAORDINARY SERVICES:** WDM may render additional services not specified in this Contract. Extraordinary services not anticipated and not specified in this Contract may also be requested of WDM by the District. The District and WDM will in good faith negotiate the amount to be paid by the District to WDM for such extraordinary services.

EXHIBIT D

Personnel Rates:

Classification	Straight Time Rate Per Hour	Overtime Rate Per Hour
Officer	\$100.00	n/a
Manager	\$60.00	\$90.00
Supervisor	\$50.00	\$75.00
Foreman	\$45.00	\$67.50
Certified Plant Operator	\$45.00	\$67.50
Service Representative	\$40.00	\$60.00
Crew Member	\$30.00	\$45.00
Equipment Operator	\$45.00	\$67.50
Laborer/Helper	\$30.00	\$45.00
Mechanical Technician	\$50.00	\$75.00
Information Technology Technician	\$60.00	\$90.00
Administrative	\$50.00	\$75.00
Clerical	\$30.00	\$45.00
Computer	Included	Included
Other Labor: Inspector	\$60.00	\$90.00
Other Labor (specify):		

Equipment Rates:

Classification	Hourly Rate	Minimum Hours
Service Truck	\$15.00	0
Maintenance Truck	\$22.50	0
1-Ton Flat Bed Truck	\$22.50	0
16 ft. Trailer	\$8.00	0
Dump Truck	Cost + mark-up	0
2-Ton Winch Truck	Cost + mark-up	0
Air Compressor	\$15.00	0
2" pump with hoses	\$10.00	0
3" pump with hoses	\$10.00	0
Television Truck	Cost + mark-up	0
Backhoe Crew with Flat Bed Truck, Backhoe & Trailer with tools.	Hourly based on 3 man crew	0

(indicated min charge, how many hours, and number of people on crew)		
Backhoe Crew with Flat Bed Truck, Backhoe & Trailer with tools. (hourly rate)	Cost of construction crew onsite plus equipment	0
Crane Truck	\$65.00	
Shoring Box	\$125.00	Per job
High Pressure Pipe Cleaner (Hydra)	WDM Jet Machine - \$70.00/hour	4 hours
Vactor Truck	Cost + mark-up	0
Other Equipment: Backhoe	\$30.00	0
Other Equipment: 24' gooseneck trailer	\$10.00	0

Tapping Rates, including meter installation:

Size	Fee
3/4"	\$650.00
1"	\$1,000.00
Commercial	As Quoted

New Construction Inspection Fees for Commercial Customers:

Commercial	Fee
Sewer Tap Inspection	Hourly Rate – As Quoted
Grease Traps (initial)	Hourly Rate – As Quoted
Customer Service Inspection (including interior and exterior plumbing, cross connection, and Pb/Cu)	Hourly Rate – As Quoted
Backflow Prevention Device Test (all meter sizes)	\$125.00
Swimming Pool Connection Inspection	\$60.00
CSI & Backflow Prevention Device Test Administrative Fee	Hourly Rate plus \$125.00 per device tested
Other: Sample Well	Hourly Rate – As Quoted
Other: Pre-Construction Inspection	Hourly Rate – As Quoted

Other: Post Construction Inspection	Hourly Rate – As Quoted
-------------------------------------	-------------------------

New and Existing Construction Inspection Fees for Residential Connections:

Residential	Fee
Swimming Pool Inspection	\$60.00
Hot Tub Inspection	\$60.00
Water Softener Inspection	\$60.00
Customer Service Inspection (including interior and exterior plumbing, cross connection, and Pb/Cu)	\$60.00
Backflow Prevention Device Test	\$125.00
CSI & Backflow Prevention Device Test Administrative Fee	\$60.00 plus \$125.00 per device tested
Other: Pre-Construction Inspection	\$40.00
Other: Post Construction Inspection	\$60.00
Other: Sanitary Sewer Inspection	\$50.00

Existing Construction Inspection Fees for Commercial Connections:

Commercial	Fee
Monthly Grease Trap Inspections	\$50.00
Customer Service Inspection (including interior and exterior plumbing, cross connection and Pb/Cu)	Hourly Rate
Annual Backflow Prevention Device Test (list fee for each size, and device type)	\$125.00
Swimming Pool Connection Inspection	\$60.00
CSI & Backflow Prevention Device Test Administrative Fees	Hourly Rate plus \$125.00 per device tested
Other (Specify)	

Miscellaneous	Fee
Expendable line item charge.	Cost plus markup
Laboratory testing for Bacteriological sample. (per sample)	Cost plus markup
5/8" or 3/4" meter replacement	Labor, Equipment & Material
1" meter replacement	Labor, Equipment & Material
Residential meter box lid replacement (lid only and labor)	Labor, Equipment & Material
Residential meter box and lid replacement (box, lid and labor)	Labor, Equipment & Material
Minimum charge to check a water leak	Labor, Equipment & Material
Minimum sidewalk panel replacement (specify cost and size):	Labor, Equipment & Material

Repainting fire hydrant (ea)	Labor, Equipment & Material
Postage	Cost
Billing Supplies	Cost plus markup
Faxes	\$0.00
Copies	b&w \$0.15 color \$0.50
Delinquent Letter fee	\$5.00
Door Tag fee – Monthly Delinquent DH	\$6.00 per / includes time for posting & cost of dh
Door Tag Fee	\$1.00
Door Tag w/ dye tablets fee	\$5.00
Return Check fee	\$25.00
Customer Service Agreements	Included in move in fee
Connects for new move in	\$20.00
Disconnect for move outs	\$20.00
Disconnects for non-payment	\$20.00
Reconnects after non-payment	\$20.00
Collection fee for extra line items billed on water bills. (example commercial customer sampling surcharges and violations, West Harris County Regional Water Authority pass through fees, etc.)	\$0.00
Record storage fees	\$30.00 per month
Post Meeting Notice	\$25.00 each
Monthly surcharge letter fee for non-single family residential customer sampling program in accordance with Industrial Waste Order	\$35.00 per letter – will be added to customer's bill
Submitting electronic monthly maintenance logs to the Engineer for input into GIS	\$100.00
Provide web page services on your firms web site, if applicable, to post basic district information, provide a conduit for customers to post complaints, and provide a conduit for customers to report issues and/or damage to District property and equipment.	Cost
Other: Mass Notification System by phone, text, and email	Included in base fee. District Cost is for time spent coordinating messages
Material and outside contractors cost plus	\$0 - \$2,000 cost plus 10% \$2,001.00 + cost plus 5%
All Smart Meter activities	Labor, Equipment & Material
Pull Meter	\$45.00
Reinstall Meter	\$45.00
Disconnect Checks	\$20.00

All Hourly fees are with a $\frac{1}{4}$ (.25) hour minimum time, except where noted.

EXHIBIT E

HOLIDAYS

WDM and the District agree that the following days will be recognized as holidays during each contract year:

New Year's Day (Actual Date)

Good Friday (Actual Date)

Memorial Day (Monday Observed)

Fourth of July (Actual Date)

Labor Day (Monday Observed)

Thanksgiving (Actual Date)

Friday after Thanksgiving (Actual Date)

Christmas Day (Actual Date)



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
11/11/2020

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Arthur J. Gallagher Risk Management Services, Inc. 1900 West Loop South, Suite 1600 Houston TX 77027	CONTACT NAME: PHONE (A/C, No, Ext): 713-623-2330 FAX (A/C, No): 713-622-6722 E-MAIL: ADDRESS:														
INSURED Water District Management Co. Inc. P.O. Box 579 Spring, TX 77383	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="text-align: left;">INSURER(S) AFFORDING COVERAGE</th> <th style="text-align: left;">NAIC #</th> </tr> <tr> <td>INSURER A: Accident Fund Insurance Company of America</td> <td>10166</td> </tr> <tr> <td>INSURER B: Allied World Specialty Insurance Company (fka/a Da</td> <td>16624</td> </tr> <tr> <td>INSURER C:</td> <td></td> </tr> <tr> <td>INSURER D:</td> <td></td> </tr> <tr> <td>INSURER E:</td> <td></td> </tr> <tr> <td>INSURER F:</td> <td></td> </tr> </table>	INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A: Accident Fund Insurance Company of America	10166	INSURER B: Allied World Specialty Insurance Company (fka/a Da	16624	INSURER C:		INSURER D:		INSURER E:		INSURER F:	
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INSURER C:															
INSURER D:															
INSURER E:															
INSURER F:															

COVERAGES **CERTIFICATE NUMBER:** 114219079 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR		TYPE OF INSURANCE		ADOL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS			
B	<input checked="" type="checkbox"/>	COMMERCIAL GENERAL LIABILITY				5105-1980-03	9/30/2020	9/30/2021	EACH OCCURRENCE		\$ 1,000,000	
	<input type="checkbox"/>	CLAIMS-MADE	<input checked="" type="checkbox"/>	OCCUR	DAMAGE TO RENTED PREMISES (Ea occurrence)				\$ 1,000,000			
	<input type="checkbox"/>				MED EXP (Any one person)				\$ 10,000			
	<input type="checkbox"/>				PERSONAL & ADV INJURY				\$ 1,000,000			
		GEN'L AGGREGATE LIMIT APPLIES PER:							GENERAL AGGREGATE		\$ 3,000,000	
		<input checked="" type="checkbox"/>	POLICY	<input type="checkbox"/>	PRO-JECT	<input type="checkbox"/>	LOC		PRODUCTS - COM/OP AGG		\$ 3,000,000	
		OTHER:									\$	
B		AUTOMOBILE LIABILITY				5106-1980-03	9/30/2020	9/30/2021	COMBINED SINGLE LIMIT (Ea accident)		\$ 1,000,000	
	<input checked="" type="checkbox"/>	ANY AUTO							BODILY INJURY (Per person)		\$	
	<input type="checkbox"/>	OWNED AUTOS ONLY	<input type="checkbox"/>	SCHEDULED AUTOS	BODILY INJURY (Per accident)				\$			
	<input checked="" type="checkbox"/>	H'ED AUTOS ONLY	<input checked="" type="checkbox"/>	NON-OWNED AUTOS ONLY	PROPERTY DAMAGE (Per accident)				\$			
	<input checked="" type="checkbox"/>	\$500 DedComp	<input checked="" type="checkbox"/>	\$500 DedColl					\$			
B	<input checked="" type="checkbox"/>	UMBRELLA LIAB		<input checked="" type="checkbox"/>	OCCUR	5107-1980-03	9/30/2020	9/30/2021	EACH OCCURRENCE		\$ 5,000,000	
	<input checked="" type="checkbox"/>	EXCESS LIAB		<input type="checkbox"/>	CLAIMS-MADE				AGGREGATE		\$ 5,000,000	
	<input type="checkbox"/>	DED		<input checked="" type="checkbox"/>	RETENTION \$ Nil						\$	
A		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY				WCV8011690 05	9/30/2020	9/30/2021	<input checked="" type="checkbox"/>	PER STATUTE	<input type="checkbox"/>	OTH-ER
		ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)		Y/N	N/A					E L EACH ACCIDENT		\$ 1,000,000
		If yes, describe under DESCRIPTION OF OPERATIONS below								E L DISEASE - EA EMPLOYEE		\$ 1,000,000
										E L DISEASE - POLICY LIMIT		\$ 1,000,000
B		Professional Liability				5105-1980-03	9/30/2020	9/30/2021		Per Claim Aggregate	\$1,000,000	\$3,000,000
		Claims Made										
		\$1,000 Ded										

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

See Attached...

CERTIFICATE HOLDER Northampton MUD Attn: Lisa June 6012 Root Road Spring TX 77389	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE
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AGENCY CUSTOMER ID: WATEDIS-02

LOC #: _____



ADDITIONAL REMARKS SCHEDULE

Page 1 of 1

AGENCY Arthur J. Gallagher Risk Management Services, Inc.		NAMED INSURED Water District Management Co. Inc. P.O. Box 579 Spring, TX 77383	
POLICY NUMBER		EFFECTIVE DATE:	
CARRIER	NAIC CODE		

ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,
FORM NUMBER: 26 FORM TITLE: CERTIFICATE OF LIABILITY INSURANCE

Endorsements Where Applicable:

General Liability

Blanket Additional Insured where required by written contract

Automobile:

Blanket Additional Insured where required by written contract

Blanket Waiver of Subrogation Endorsements:

General Liability

Automobile Liability

Workers' Compensation

DESCRIPTION OF OPERATIONS:

CERTIFICATE OF INTERESTED PARTIES		FORM 1295																							
		1 of 1																							
Complete Nos. 1 - 4 and 6 if there are interested parties. Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.		OFFICE USE ONLY																							
1 Name of business entity filing form, and the city, state and country of the business entity's place of business. Water District Management Company Spring, TX United States		CERTIFICATION OF FILING Certificate Number: 2020-689317 Date Filed: 11/12/2020 Date Acknowledged: <u>11-13-20</u>																							
2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed. Northampton Municipal Utility District																									
3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the services, goods, or other property to be provided under the contract. NH11122020 Service Contract for operations of water, wastewater and drainage facilities.																									
4 Name of Interested Party	City, State, Country (place of business)	Nature of Interest (check applicable) <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%; text-align: center;">Controlling</th> <th style="width: 50%; text-align: center;">Intermediary</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">X</td> <td></td> </tr> <tr><td></td><td></td></tr> <tr><td></td><td></td></tr> <tr><td></td><td></td></tr> <tr><td></td><td></td></tr> <tr><td></td><td></td></tr> <tr><td></td><td></td></tr> <tr><td></td><td></td></tr> <tr><td></td><td></td></tr> <tr><td></td><td></td></tr> </tbody> </table>		Controlling	Intermediary	X																			
Controlling	Intermediary																								
X																									
David B., Rowe	Spring, TX United States																								
5 Check only if there is NO interested party. <input type="checkbox"/>																									
6 UNSWORN DECLARATION My name is <u>David B. Rowe</u> , and my date of birth is <u>08-24-1959</u> My address is <u>P.O. Box 579</u> <u>Spring</u> <u>Texas</u> <u>77383</u> <u>U.S.</u> <small>(street) (city) (state) (zip code) (country)</small> I declare under penalty of perjury that the foregoing is true and correct. Executed in <u>Harris</u> County, State of <u>Texas</u> , on the <u>12</u> day of <u>November</u> , 20 <u>20</u> . <small>(month) (year)</small> <div style="text-align: center;"> <u>David B. Rowe, President</u> Signature of authorized agent of contracting business entity <small>(Declarant)</small> </div>																									

SOAH DOCKET NO. 473-24-09299
PUC DOCKET NO. 54966
NORTHAMPTON MUNICIPAL UTILITY DISTRICT'S SUPPLEMENTAL RESPONSE
TO STAFF'S THIRD REQUEST FOR INFORMATION

STAFF RFI 3-17

Admit or deny that TCEQ regulatory assessment fees are collected from customers.

FIRST SUPPLEMENTAL RESPONSE:

The District provides the following clarification. Although the district is charged and pays for regulatory assessment fees out of the District's revenues, those fees are not billed to customers as a separate line item.

RESPONSE (Originally filed on June 24, 2024):

Admit.

Preparer: John R. Wallace, General Counsel, Northampton Municipal Utility District
Sponsor: John R. Wallace, General Counsel, Northampton Municipal Utility District

SOAH DOCKET NO. 473-24-09299
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NORTHAMPTON MUNICIPAL UTILITY DISTRICT'S SUPPLEMENTAL RESPONSE
TO STAFF'S THIRD REQUEST FOR INFORMATION

STAFF RFI 3-20

Please explain if there is any debt service included in the cost of service used to set the water rates for Ariza. If so, please provide the amount included.

FIRST SUPPLEMENTAL RESPONSE:

The District provides the following clarification. Generally, the District does not recover debt service amounts through water rates. Rather, the District levies an annual debt service tax on taxable real property within its boundaries to pay for debt service of outstanding bonds. See Supplemental Exhibit JRW-1, Exhibit B Page 4 of 5. However, regarding a non-taxable multi-family project such as Ariza, the District must recover that customer's portion of the District's cost of service, which includes debt service, exclusively through water and sewer rates as provided for by TWC Chapter 49.

RESPONSE (Originally filed on June 24, 2024):

There is debt service included in the cost of service used to set the water rates for Ariza Gosling that are the subject of this appeal. The debt service amount included in the District's Tax Exempt Multi-family Residential rates is identified in Exhibit JRW-2. See the Direct Testimony of John R. Wallace filed in this proceeding on June 7, 2024.

Preparer: John R. Wallace, General Counsel, Northampton Municipal Utility District
Sponsor: John R. Wallace, General Counsel, Northampton Municipal Utility District