



THE CITY OF

# JARRELL

City of Jarrell  
Public Hearing and Budget Workshop and  
Special Called City Council Meeting  
Jarrell City Council Chambers  
161 Town Center Blvd. Jarrell, Texas 76537  
Monday, August 28, 2023, at 6:00 p.m. and 7:00 p.m.

## AGENDA

Mayor Patrick Sherek  
Alderman Place 1, Daniel Klepac  
Alderman Place 2, Jeff Seidel

Alderman Place 3, Tanya Clawson  
Mayor Pro-Tem Place 4, Rusty Bryson  
Alderman Place 5, Daniel Islas

### AT 6:00 P.M. CALL SPECIAL CALLED MEETING TO ORDER

1. ADJOURN INTO CLOSED SESSION/EXECUTIVE SESSION:

1.1 Closed Executive Session pursuant to 551.074 of the Texas Government Code to deliberate the appointment, employment evaluation, reassignment, duties, discipline or dismissal of a public officer or employee, to wit: Conduct interview for Police Chief  
*Danielle Singh*

2. RECONVENE INTO OPEN SESSION.

### AT 7:00 P.M. CALL PUBLIC HEARING, BUDGET WORKSHOP AND SPECIAL CALLED MEETING TO ORDER

3. CALL MEETING TO ORDER

- Roll Call
- Invocation
- Pledge of Allegiance

4. PUBLIC COMMENTS

Those wishing to speak to the City Council must complete the appropriate color card listed below and present the card to the Municipal Clerk prior to the beginning of the meeting. Please wait to be invited to approach the podium and observe a **three**-minute time limit when speaking.





THE CITY OF

# JARRELL

## Orange Sign in Card – Items not listed on the agenda

An individual may speak; however, the topics presented are considered informational only and may result in placement on a future agenda. No formal discussion or action will be conducted at this time.

## Yellow Sign in Card – Item listed on the agenda

An individual may speak once the regular agenda item is announced for consideration and/or when the speaker is invited to approach the podium.

## 5. PUBLIC HEARING FOR BUDGET AND PROPERTY TAX RATE

5.1 **Open Public Hearing** regarding the City of Jarrell 2023-2024 Fiscal Year Budget and Proposed Tax Rate.

*Danielle Singh*

5.2 Discussion, consideration and possible action regarding the Approval of Ordinance No. 2023-0828-01, An Ordinance Of The City Of Jarrell, Texas, Adopting The Annual Budget For The City Of Jarrell, Texas, For The 2023-2024 Fiscal Year, Beginning October 1, 2023 And Ending September 30, 2024; Making Appropriations For The Support Of The City Of Jarrell, Texas, For Such Fiscal Year; Appropriating Money To A Sinking Fund To Pay Principal And Interest On The City's Indebtedness; Repealing Conflicting Ordinances; And Providing Severability, Open Meetings And Effective Date.

*Danielle Singh*

5.3 Discussion, consideration and possible action regarding the property tax rate increase for the 2023-2024 Fiscal Year Budget.

*Danielle Singh*

5.4 Discussion, consideration and possible action regarding the Approval of Ordinance No. 2023-0828-02, An Ordinance Of The City Of Jarrell, Texas, Levying Ad Valorem Taxes For Use And Support Of The City Of Jarrell, Texas, For The 2023-2024 Tax Year; Providing For Apportioning Each Levy For Specific Purposes; Providing When Taxes Shall Become Due And When Same Shall Become Delinquent If Not Paid, Providing For Conflicting Ordinances; And Providing Severability, Open Meetings And Effective Date.

*Danielle Singh*





THE CITY OF

JARRELL

6. CONSENT AGENDA ITEMS

The Consent Agenda items listed below are considered to be routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items unless requested by a Councilmember, in which event, the item will be removed from the Consent Agenda and considered as a Regular Agenda item.

- 6.1 Consideration and possible action regarding the approval of the minutes of the Special Called City Council Meeting on August 1, 2023.

Grace Matlock

- 6.2 Consideration and possible action regarding the approval of the minutes of the Special Called City Council Meeting on August 3, 2023.

Grace Matlock

7. REGULAR AGENDA ITEMS

- 7.1 Discussion, consideration and possible action regarding the Request for Proposal for Water and Wastewater Services.

Grace Matlock

- 7.2 Discussion, consideration, and possible action regarding compensation for City Council.

Requested by Alderman Place 2

8. ADJOURN INTO CLOSED SESSION/EXECUTIVE SESSION:

8.1 Closed Executive Session pursuant to 551.074 of the Texas Government Code to deliberate the appointment, employment evaluation, reassignment, duties, discipline or dismissal of a public officer or employee, to wit: Conduct interview for Police Chief

Danielle Singh

8.2 Closed Executive Session pursuant to Texas Government Code Section 551.071 for a consultation with the City Attorney on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Texas Government Code Chapter 551, to wit: Wholesale Water Contract with Jarrell Town Center

Danielle Singh





THE CITY OF

# JARRELL

**9. RECONVENE INTO OPEN SESSION.**

9.1 Discussion, consideration and possible action regarding the Wholesale Water Contract with Jarrell Town Center.

Danielle Singh

**10. Adjournment.**

**CERTIFICATION**

I certify that the above Notice of Meeting of the City of Jarrell City Council was posted on the city's website at [www.cityofjarrell.com](http://www.cityofjarrell.com) and on the Bulletin Board located at Jarrell City Hall - 161 Town Center Blvd, Jarrell, Texas 76537 pursuant to Chapter 551 of the Texas Government Code.

August 25, 2023, at 4:30 p.m.

Posted by: City Secretary's Office

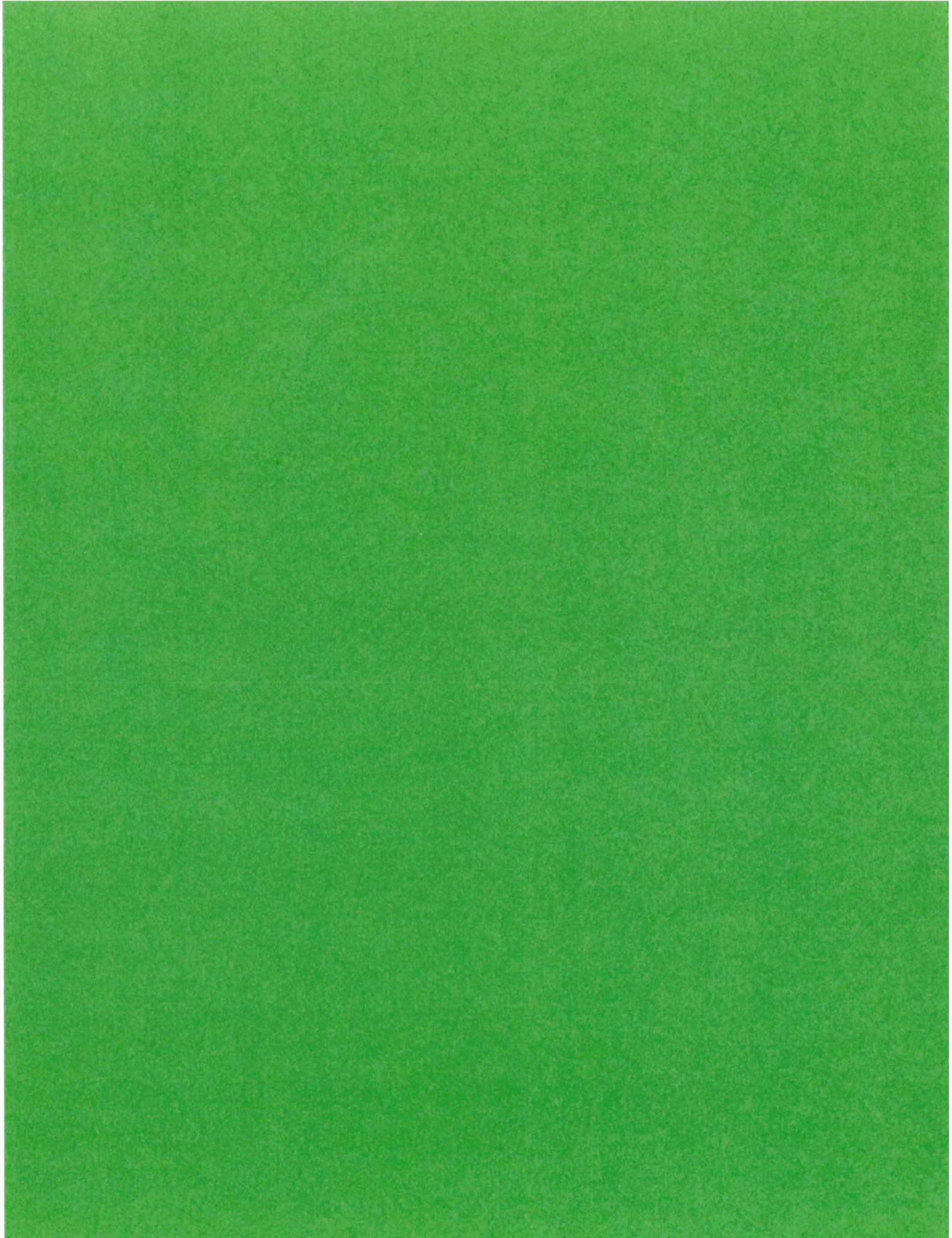
*This meeting will be conducted pursuant to the Texas Government Code Section 551.001 et seq. At any time during the meeting the Council reserves the right to adjourn into executive session on any of the above posted agenda items in accordance with the sections 551.071 [litigation and certain consultation with attorney], 551.072 [deliberations about real property], 551.073 [deliberations about gifts and donations to city], 551.074 [deliberations on certain personnel matters] or 551.076 [deliberations about deployment/ implementation of security personnel or devices] and 551.087 [Economic Development]. The City of Jarrell is committed to compliance with the American with Disabilities Act. Reasonable modifications and equal access to communications will be provided upon request. Please call the Municipal Clerk at 512/ 746-4593 for assistance.*

*I certify that the above Agenda of the Jarrell City Council was removed from the Bulletin Board located at Jarrell City Hall; 161 Town Center Blvd. in Jarrell, Texas on:*

Removed on \_\_\_\_\_, 2023 at \_\_\_\_\_ am/pm  
City of Jarrell, Texas

Removed by: City Secretary's Office







THE CITY OF

# JARRELL

ORDINANCE NO. 2023-0828-01

**AN ORDINANCE OF THE CITY OF JARRELL, TEXAS, ADOPTING THE ANNUAL BUDGET FOR THE CITY OF JARRELL, TEXAS, FOR THE 2023-2024 FISCAL YEAR, BEGINNING OCTOBER 1, 2023 AND ENDING SEPTEMBER 30, 2024; MAKING APPROPRIATIONS FOR THE SUPPORT OF THE CITY OF JARRELL, TEXAS, FOR SUCH FISCAL YEAR; APPROPRIATING MONEY TO A SINKING FUND TO PAY PRINCIPAL AND INTEREST ON THE CITY'S INDEBTEDNESS; REPEALING CONFLICTING ORDINANCES; AND PROVIDING SEVERABILITY, OPEN MEETINGS AND EFFECTIVE DATE.**

**WHEREAS**, the Council of the City of Jarrell is responsible for conducting city financial business as specified by Federal and State law; and

**WHEREAS**, the Council of the City of Jarrell, must establish a budget before any funds may be spent on City needs; and,

**WHEREAS**, the City Manager of the City of Jarrell has submitted to the City Council a proposed Budget (the "Budget") of the revenues of the City and the expenses of conducting the affairs thereof and providing a complete financial plan for the ensuing fiscal year, beginning October 1, 2023, and ending September 30, 2024; and

**WHEREAS**, the City Council has received a copy of the proposed Budget and information supporting the same, which has been filed with the City Secretary; and

**WHEREAS**, in accordance with Section 102.006 of the Texas Local Government Code, a public hearing was held giving all interested taxpayers an opportunity to be heard for or against any item or amount therein; and

**WHEREAS**, the City Council of the City of Jarrell is of the opinion that the proposed Budget should be approved and adopted as the City's Budget for the ensuing fiscal year;

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

**Section 1. Findings of Fact.** The facts and recitations contained in the preamble of this ordinance are hereby found and declared to be true and correct, and incorporated by reference herein and expressly made a part hereof as if copied herein verbatim.





THE CITY OF

# JARRELL

**Section 2. Prerequisites Satisfied.** The City Council of the City of Jarrell (the “City Council”) hereby finds that all of the prerequisites to the creation and adoption of a Budget for this City for the fiscal year 2023-2024, (including, without limitation, certifications, notices, submittals, and public hearings) as required by law have been complied with.

**Section 3. Approved Budget.** The Budget, as shown in words and figures in Exhibit A, is hereby approved in all respects and adopted as the City’s Budget for the fiscal year beginning October 1, 2023 and ending September 30, 2024.

**Section 4. Appropriations.** The appropriations for the fiscal year beginning October 1, 2023 and ending September 30, 2024, for the support of the general government of the City of Jarrell, Texas, be fixed and determined for said terms in accordance with the expenditures shown in the City’s Fiscal year 2023-2024 Budget, a copy of which is appended hereto as Exhibit A.

**Section 5. Sinking Fund Appropriations.** The amount shown in said budget necessary to provide for a sinking fund for the payment of the principal and interest and the retirement of bonded debt requirements is hereby appropriated for the Fiscal Year 2023-2024 of the City of Jarrell, Texas.

**Section 6. Repealing Conflicting Ordinances.** All ordinance and resolutions, or parts of ordinances and resolutions, in conflict with this Ordinance are hereby repealed, and are no longer of any force and effect.

**Section 7.** Pursuant to Texas Local Government Code §102.007, the motion to adopt this ordinance must be a record vote; which is reflected below:

This budget will raise more revenue from property taxes than last year's budget by an amount of \$670,834, which is a 36.35% percent increase from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is \$395,873.

|   |                              |                             |                                  |                                 |
|---|------------------------------|-----------------------------|----------------------------------|---------------------------------|
| Mayor – Patrick Sherek (in case of tie only): | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> Abstain | <input type="checkbox"/> Absent |
| Alderman Place 1 – Daniel Klepac:             | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> Abstain | <input type="checkbox"/> Absent |
| Alderman Place 2 – Jeff Seidel:               | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> Abstain | <input type="checkbox"/> Absent |
| Alderman Place 3 – Tanya Clawson:             | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> Abstain | <input type="checkbox"/> Absent |
| Mayor Pro Tem Place 4 – Rusty Bryson:         | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> Abstain | <input type="checkbox"/> Absent |
| Alderman Place 5 – Daniel Islas:              | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> Abstain | <input type="checkbox"/> Absent |





THE CITY OF

# JARRELL

**Section 8. Severability.** If any section, paragraph, clause, phrase or provision of this Ordinance shall be adjudged invalid or held unconstitutional, the same shall not affect the validity of this Ordinance as a whole or any part or provision thereof other than the part so declared to be invalid or unconstitutional.

**Section 9. Effective Date.** This Ordinance shall become effective upon adoption of its reading by the City Council of the City of Jarrell, Texas.

**Section 10. Open Meeting.** That it is hereby officially found and determined that the meetings at which this ordinance was passed were open to the public as required and that public notice of the time, place, and purpose of said meetings were given as required by the Open Meetings Act, Chapter 551, Local Government Code.

**PASSED AND APPROVED** on this reading on the **28th** day of **August 2023**, with \_\_ Ayes and \_\_ Nays.

**THE CITY OF JARRELL**

**BY:**

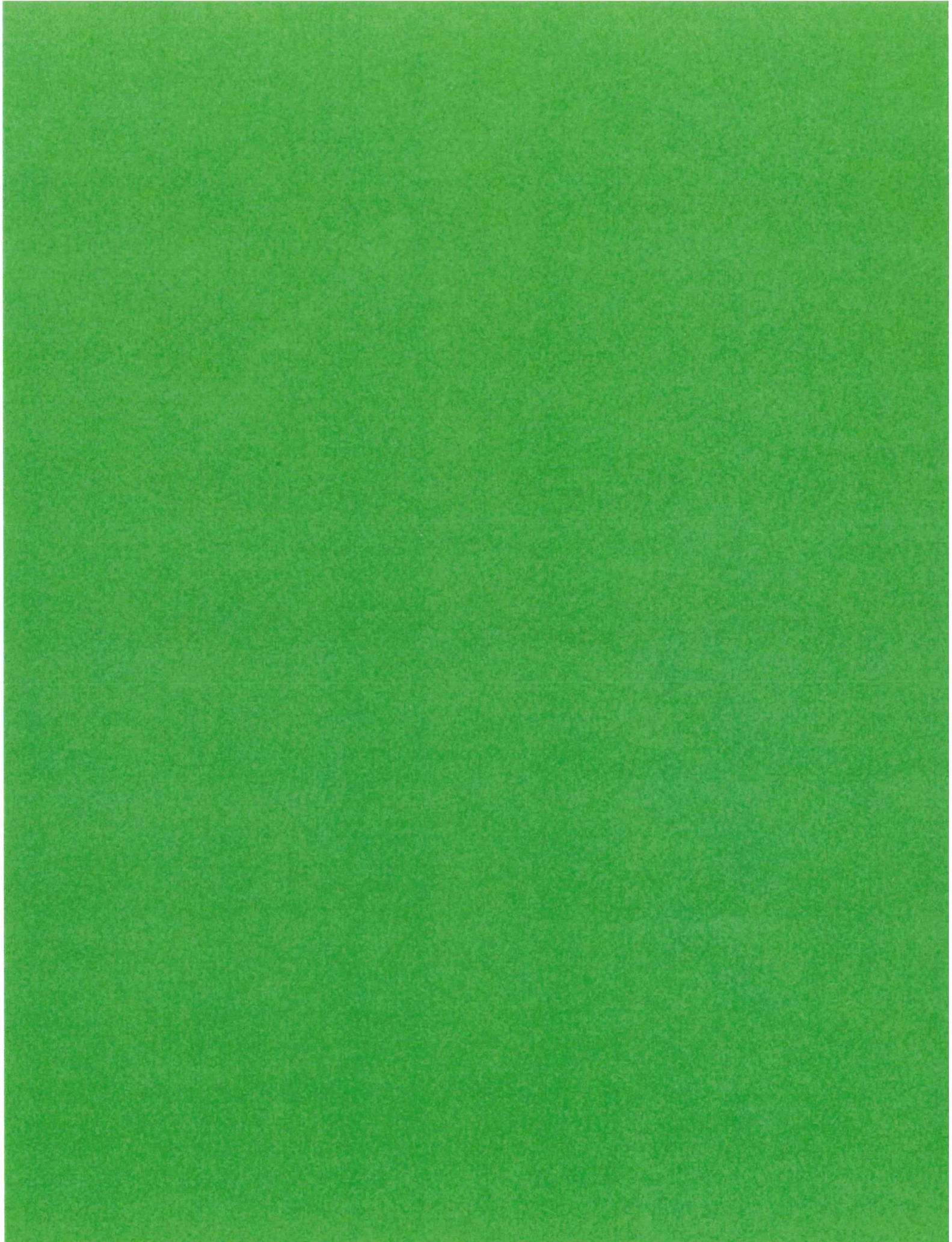
**ATTEST:**

\_\_\_\_\_  
Patrick Sherek, Mayor

\_\_\_\_\_  
Dianne Peace, City Secretary







## Motion to Adopt - City of Jarrell (2023)

### Meeting to Adopt Verbiage

|          |  |                      |                            |                    |
|----------|--|----------------------|----------------------------|--------------------|
| Tax Code | <u>26.05 (b)</u> Proposed Rate - No-New-Revenue Rate | <u>Proposed Rate</u> | <u>No-New-Revenue Rate</u> | <u>Percent (%)</u> |
|          |  | 0.414004             | 0.360463                   | 14.853%            |

**A motion to adopt an ordinance, resolution, or order setting a tax rate that exceeds the no-new-revenue tax rate must be made in the following form:**

"I move that the property tax rate be increased by the adoption of a tax rate of \$0.414004, which is effectively a 14.853% percent increase in the tax rate."

### Ordinance, Resolution or Order Verbiage

Tax Code 26.05(b)(1)

|   |                      |                       |   |                               |
|---|----------------------|-----------------------|---|-------------------------------|
| M&O NNR<br><i>**Calculation Worksheet line 40 - Sales Tax Rate Line 54</i>  | <u>NNR M&amp;O</u>   | <u>Sales Tax Rate</u> | = | 0.10473                       |
|   | 0.251754             | 0.147024              |   |                               |
| Proposed Rate - Debt Rate<br><i>**Proposed Rate will be given by entity</i> | <u>Proposed Rate</u> | <u>Debt Rate</u>      | = | 0.189608                      |
|   | 0.414004             | 0.224396              |   |                               |
| Divide No-New-Revenue M&O and Proposed M&O for Percentage (%)               |                      |                       |   | <u>Percent (%)</u><br>81.045% |

**Include in the ordinance, resolution, or order in type larger than the type used in any other portion of the document:**

(A) The following statement: "THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE.";

**AND**

(B) If the tax rate exceeds the no-new-revenue maintenance and operations rate, the following statement:  
"THE TAX RATE WILL EFFECTIVELY BE RAISED BY 81.045% PERCENT AND WILL RAISE TAXES FOR MAINTENANCE OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$84.88"

### Website Verbiage

Tax Code 26.05(b)(2)

|                        |                         |                    |   |          |
|------------------------|-------------------------|--------------------|---|----------|
| M&O Proposed - M&O NNR | <u>M&amp;O Proposed</u> | <u>M&amp;O NNR</u> | = | 0.084878 |
|                        | 0.189608                | 0.104730           |   |          |
|                        |                         |                    | X | 100,000  |
|                        |                         |                    | = | 8487.8   |
|                        |                         |                    | X | 0.01     |
|                        |                         |                    | = | \$ 84.88 |

**Include on the homepage of any Internet website operated by the unit:**

(A) The following statement: "THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE.";

**AND**

(B) If the tax rate exceeds the no-new-revenue maintenance and operations rate, the following statement:  
"THE TAX RATE WILL EFFECTIVELY BE RAISED BY 81.045% PERCENT AND WILL RAISE TAXES FOR MAINTENANCE OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$84.88"



THE CITY OF

# JARRELL

ORDINANCE NO. 2023-0828-02

**AN ORDINANCE OF THE CITY OF JARRELL, TEXAS, LEVYING AD VALOREM TAXES FOR USE AND SUPPORT OF THE CITY OF JARRELL, TEXAS, FOR THE 2023-2024 TAX YEAR; PROVIDING FOR APPORTIONING EACH LEVY FOR SPECIFIC PURPOSES; PROVIDING WHEN TAXES SHALL BECOME DUE AND WHEN SAME SHALL BECOME DELINQUENT IF NOT PAID; PROVIDING FOR CONFLICTING ORDINANCES; AND PROVIDING SEVERABILITY, OPEN MEETINGS AND EFFECTIVE DATE.**

**WHEREAS**, the City Council finds that the Williamson County Appraisal District have prepared, certified, and submitted to the tax assessor/collector the appraisal roll of the City of Jarrell, Texas (the “City”) for 2023; and

**WHEREAS**, the City Council finds that the 2023 certified appraisal roll represents the total appraised, assessed and taxable value of all property and the total taxable value of new property within the City as \$607,699,236 ; and

**WHEREAS**, the City Council finds the tax rate to be levied for 2023 (fiscal year 2024) set by this ordinance is based on the appraisal roll and is sufficient to provide the tax revenues required by the City; and

**WHEREAS**, the City Council finds all required notices have been issued and all required hearings have occurred in accordance with Texas law permitting this tax levy; and

**WHEREAS**, the City Council finds that this Ordinance is in compliance with Texas Tax Code §26.05(b)(1) by including the following statement:

**“THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR’S TAX RATE.”**

**“THIS TAX RATE WILL EFFECTIVELY BE RAISED BY 81.045% PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$84.88.”**





THE CITY OF

# JARRELL

**WHEREAS**, the City Council finds that this Ordinance is in compliance with Texas Tax Code §26.05(b)(2) by directing the City Secretary to place the following on the homepage of the City’s website:

“THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR’S TAX RATE.”

“THIS TAX RATE WILL EFFECTIVELY BE RAISED BY 81.045% PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$84.88.”

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

**Section 1.** There is hereby levied an ad valorem tax of \$ 0.414004 on each \$100.00 of property within the City which is not exempt from taxation under the State constitution or State law. The general fund operating portion of the tax is \$0.189608. The debt service portion of the tax is \$ 0.224396.

**Section 2.** The City’s tax assessor/collector is hereby authorized to assess and collect the taxes of the City employing the above tax rate.

**Section 3.** The taxes levied hereby are due presently and shall be delinquent if not paid by January 2024.

**Section 4.** This tax levy ordinance shall be effective from and after its passage and adoption by the City Council.

**Section 5.** Pursuant to Texas Tax Code §26.05(b), the motion to adopt must be made in the following form and this ordinance must be a record vote, which is reflected below:

“I move that the property tax rate be adopted at \$ 0.414004, which is effectively a 14.853% percent increase in the tax rate”

Mayor – Patrick Sherek (in case of tie only):     Yes     No     Abstain     Absent





THE CITY OF

# JARRELL

Alderman Place 1 – Daniel Klepac:             Yes  No  Abstain  Absent

Alderman Place 2 – Jeff Seidel                 Yes  No  Abstain  Absent

Alderwoman Place 3 – Tanya Clawson:      Yes  No  Abstain  Absent

Mayor Pro Tem Place 4 – Rusty Bryson:     Yes  No  Abstain  Absent

Alderman Place 5 – Daniel Islas:            Yes  No  Abstain  Absent

**Section 6. Conflicting Ordinances** All ordinances or part of ordinances insofar as they are inconsistent or in conflict with the provisions of this ordinance are repealed to the extent of any conflict.

**Section 7. Severability**. If any section, paragraph, clause, phrase or provision of this Ordinance shall be adjudged invalid or held unconstitutional, the same shall not affect the validity of this Ordinance as a whole or any part or provision thereof other than the part so declared to be invalid or unconstitutional.

**Section 8. Effective Date**. This Ordinance shall become effective upon adoption of its reading by the City Council of the City of Jarrell

**Section 9. Open Meetings**. That it is hereby officially found and determined that the meetings at which this ordinance is passed were open to the public as required and that public notice of the time, place, and purpose of said meetings was given as required by the Open Meetings Act, Chapter 551, Local Government Code.

**PASSED AND APPROVED** on this reading on the **28th** day of **August 2023**, with  Ayes and  Nays.

**THE CITY OF JARRELL**

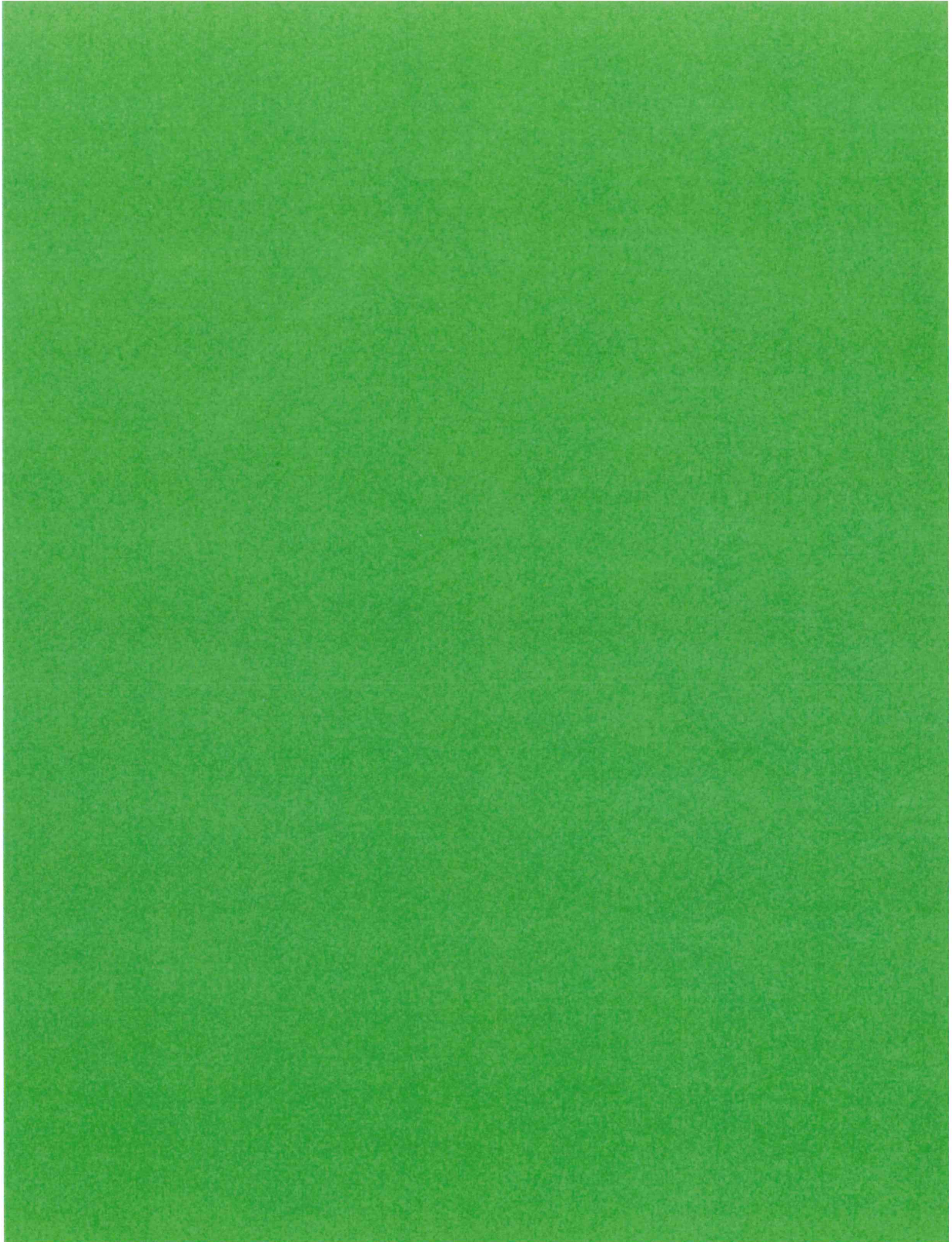
**BY:**

**ATTEST:**

\_\_\_\_\_  
Patrick Sherek, Mayor

\_\_\_\_\_  
Dianne Peace, City Secretary





**City of Jarrell**  
**Special City Council Meeting**  
Jarrell City Council Chambers  
161 Town Center Blvd. Jarrell, Texas 76537  
**Tuesday, August 1, 2023, at 7:00 p.m.**

**Minutes**

|  |  |
|--|--|
| Mayor Patrick Sherek- <b>Present</b>           | Alderwoman Place 3, Tanya Clawson- <b>Present</b>    |
| Alderman Place 1, Daniel Klepac <b>Present</b> | Mayor Pro-Tern Place 4, Rusty Bryson- <b>Present</b> |
| Alderman Place 2, Jeff Seidel- <b>Present</b>  | Alderman Place 5, Daniel Islas- <b>Present</b>       |

**1.  CALLED MEETING TO ORDER at 7:00 P.M.**

- Roll Call
- Invocation **By Alderman Jeff Seidel**
- Pledge of Allegiance

**2.  PUBLIC COMMENTS**

Those wishing to speak to the City Council must complete the appropriate color card listed below and present the card to the Municipal Clerk prior to the beginning of the meeting. Please wait to be invited to approach the podium and observe a **three-minute** time limit when speaking.

**Orange Sign in Card - Items not listed on the agenda**

An individual may speak; however, the topics presented are considered informational only and may result in placement on a future agenda. No formal discussion or action will be conducted at this time.

**Yellow Sign in Card - Item listed on the agenda**

An individual may speak once the regular agenda item is announced for consideration and/or when the speaker is invited to approach the podium.

**Diane Johns gave a quick update on the food pantry.**

**Drew Sumner encouraged the council to focus on the issues at hand.**

**3.  REGULAR AGENDA ITEMS**

3.1 Discuss FY 2024 Annual Budget. **No Action Taken**

Discussion, consideration, and possible action to set the preliminary tax rate for the FY 2024 Annual Budget and setting the date to hold a public hearing. **No Action Taken**

- 3.2 Consider an ordinance ordering the November 7, 2023, Special Election amending the Sales Tax Rate.  
Mayor Pro-Tem Rusty Bryson made a motion to approve ordinance ordering the November 7, 2023 Special Election to amend the Sales Tax Rate. Alderwoman Tanya Clawson 2<sup>nd</sup> the motion. Unanimous vote.

4. **ADJOURNMENT AT 7:57 P.M.**

**PASSED AND APPROVED ON THE 28<sup>th</sup> DAY OF AUGUST, 2023.**

**CITY OF JARRELL, TEXAS**

**Attest:**

\_\_\_\_\_  
**Patrick Sherek, Mayor**

\_\_\_\_\_  
**Dianne Peace, Municipal Clerk**



**City of Jarrell**  
**Special Called City Council Meeting**  
Jarrell City Council Chambers  
161 Town Center Blvd. Jarrell, Texas 76537  
**Thursday, August 3, 2023, at 7:30 p.m.**

**Minutes**

*Mayor Patrick Sherek- Present*

*Alderman Place 1, Daniel Klepac Present*

*Alderman Place 2, Jeff Seidel-Present*

*Alderman Place 3, Tanya Clawson- Present*

*Mayor Pro-Tern Place 4, Rusty Bryson- Present*

*Alderman Place 5, Daniel Islas- Present*

**1. CALLED MEETING TO ORDER AT 7:30 P.M.**

- Roll Call – All Present
- Invocation -Given by Alderwoman Tanya Clawson
- Pledge of Allegiance

**2. PUBLIC COMMENTS**

Those wishing to speak to the City Council must complete the appropriate color card listed below and present the card to the Municipal Clerk prior to the beginning of the meeting. Please wait to be invited to approach the podium and observe a **three-minute** time limit when speaking.

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**Yellow Sign in Card ..... Item listed on the agenda**

An individual may speak once the regular agenda item is announced for consideration and/or when the speaker is invited to approach the podium.

**Joe Stephens – Present to give the Police Department a voice.**

**Bill Lawson – Concerned about rumors that the Police Department was being disbanded.**

**Don Schwertner- Thanked the Mayor and Council for hearing him out.**

**Shay Stearnes- Support of current City Manager, Danielle Singh.**

**Amanda Alff- Support of current City Manager, Danielle Singh.**

**Sheryl Vicenik - Support of current City Manager, Danielle Singh.**

**Charles Ashby- Support of current City Manager, Danielle Singh.**

**Casey Hargrove- - Support of current City Manager, Danielle Singh.**

**Drew Sumner- Support of current City Manager, Danielle Singh.**

**Thomas Hertel- Thinks City Manager shouldn't make remarks disparaging police department.**

**Tammy Clawson- Support of current City Manager, Danielle Singh.**

**3. EXECUTIVE SESSION:**

*At any time during the meeting the Council reserves the right to adjourn into executive session on any of the above posted agenda items in accordance with the sections 551.071 [litigation and certain consultation with attorney], 551.072 [deliberations about real property], 551.073 {deliberations about gifts and donations to city}, 551.074 {deliberations on certain personnel matters} or 551.076 {deliberations about deployment/ implementation of security personnel or devices} and 551.087 [Economic Development].*

**ADJOURN INTO CLOSED SESSION/EXECUTIVE SESSION: No**

- 3.1** Closed Executive Session pursuant to 551.074 of the Texas Government Code to deliberate the appointment, employment evaluation, reassignment, duties, discipline or dismissal of a public officer or employee, to wit: City Manager

**Danielle Singh asserted her right to have the Closed Executive Session held in Open Session.**

- 4.1** Discussion and possible action regarding the appointment, employment evaluation, reassignment, duties, discipline or dismissal of a public officer or employee, to wit: City Manager

**No formal action taken.**

**ADJOURN INTO CLOSED SESSION/EXECUTIVE SESSION AT 8:15 P.M.**

- 3.2** Closed Executive Session pursuant to 551.074 of the Texas Government Code to deliberate the appointment, employment evaluation, reassignment, duties, discipline or dismissal of a public officer or employee, to wit: City Council

**No formal action taken.**

**RECONVENE INTO OPEN SESSION AT 8:52 P.M.**

- 4.2** Discussion and possible action regarding the appointment, employment evaluation, reassignment, duties, discipline or dismissal of a public officer or employee, to wit: City Council

**No formal action taken**

**5 ADJOURNMENT at 8:53 P.M.**

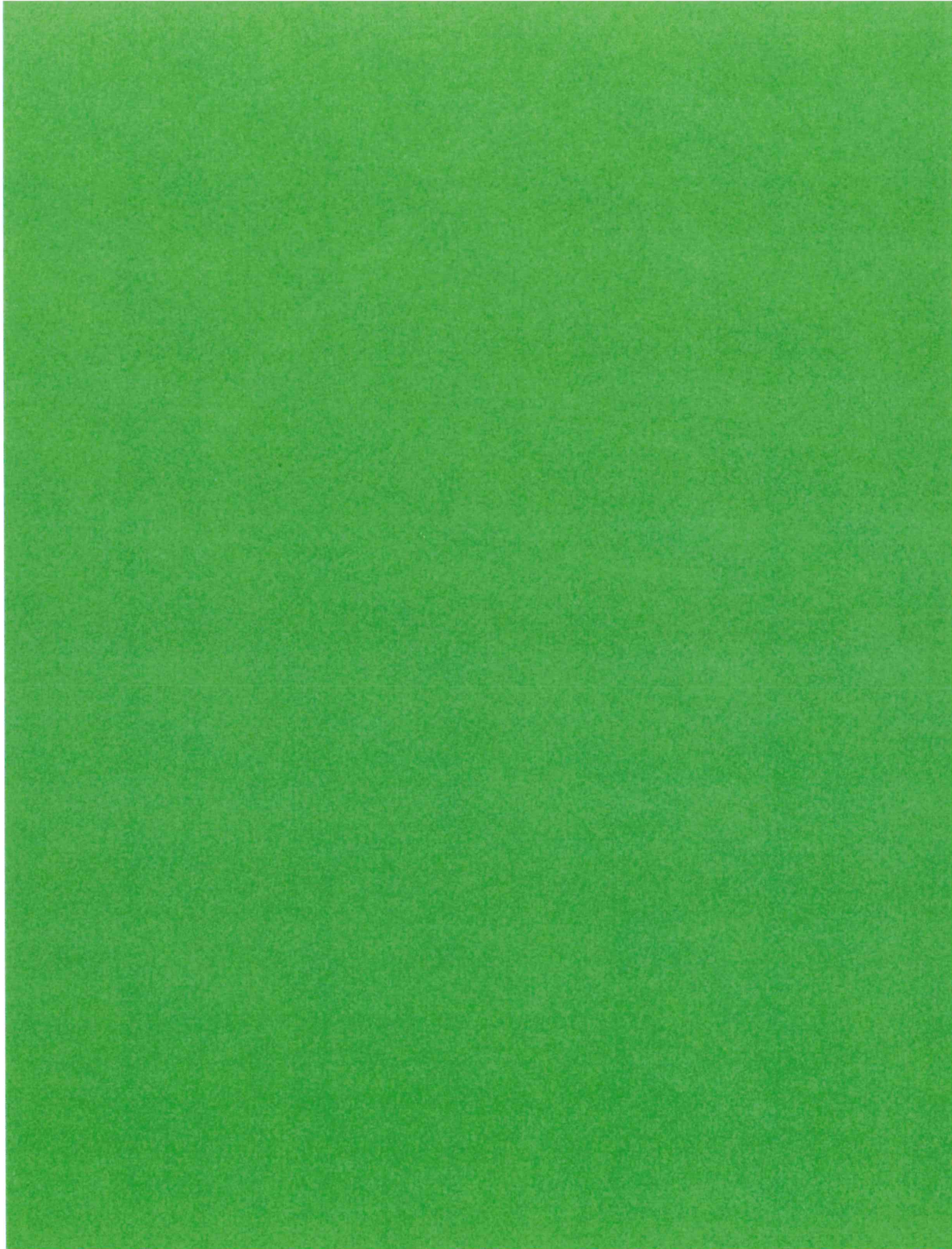
***PASSED AND APPROVED ON THE 28<sup>th</sup> DAY OF AUGUST, 2023.***

***CITY OF JARRELL, TEXAS***

***Attest:***

\_\_\_\_\_  
***Patrick Sherek, Mayor***

\_\_\_\_\_  
***Dianne Peace, Municipal Clerk***



## **PROFESSIONAL SERVICES AGREEMENT**

This **Professional Services Agreement** (the “Agreement”) is made this **28<sup>th</sup>** day of **August 2023**, between:

- 1) **THE CITY OF JARRELL**, a Texas municipal corporation with its principal place of business at 161 Town Center Boulevard, Jarrell, Texas 76537 (hereinafter the “Client”); and
- 2) **INFRAMARK, LLC**, a Texas limited liability company with its principal place of business at 2002 West Grand Parkway North, Suite 100, Katy, TX, 77449 (hereinafter the “Operator”).

### **BACKGROUND**

The Client desires to procure basic operation services required for the Client’s wastewater and water treatment facilities as defined in the Client’s state and federal permits and as set forth in Schedule 1 attached to this Agreement (“Facilities”) and the Operator desires to provide said operations services to the Client.

In consideration of the mutual promises in this Agreement, the parties agree as follows:

#### **1) TERM**

This Agreement shall commence on **August 28, 2023** (“Commencement Date”) and shall remain in full force and effect until terminated by either party under Section 5 below.

#### **2) OPERATOR’S SERVICES**

- 2.1. Operator, in regard to the Facilities, shall provide the services as set forth in Schedule 2 attached to this Agreement (the “Services”).
- 2.2. Operator may perform additional services beyond the Services specified in Schedule 2 with mutual consent of both parties in accordance with the Rate Schedule as set forth in Schedule 3, unless otherwise agreed by the parties.
- 2.3. Except in the case of an Emergency Event, Operator shall obtain the prior written approval of the Client for any single expense which is estimated to cost more than Fifteen Thousand dollars (\$15,000.00). When the Operator determines that an Emergency Event exists, it may begin immediately taking any necessary action related thereto, without the Client’s prior approval; provided however, Operator shall attempt to obtain prior approval by calling Danielle Singh by phone prior to incurring such expenses. Any costs incurred by Operator during an Emergency Event shall be billed to and reimbursed by Client in accordance with the Rate Schedule as set forth in Schedule 3. If Operator demobilizes its staff from previously scheduled work in order respond to an Emergency Event, any costs incurred by Operator during an Emergency Event shall be billed to and reimbursed by Client in accordance with the Rate Schedule as set forth in Schedule 3 plus twenty percent (20%).

- 2.4. Operator may recommend Capital Improvements or operational changes to the Client as are necessary or recommended utilizing commercially standard practices for such Capital Improvement or operational changes to perform the Services in compliance with the terms of this Agreement and Applicable Law, or maintenance and repair expenses for the Facilities. In the event the Client does not approve and make a Capital Improvement or operational change recommended by Operator that is a commercially standard and recommended Capital Improvement or operational change and/or if Client does not approve a maintenance and repair expense exceeding \$15,000.00 pursuant to Section 2.3, Operator will not be liable for any loss, damage or liability arising from or related to the Client's rejection of or refusal to implement the recommended Capital Improvement or operational changes, including, but not limited to, any loss, damage, or liability for (a) failure of the Facilities, (b) failure to comply with Applicable Law, (c) failure to meet the requirements of this Agreement or (d) claims for indemnification.
- 2.5. Operator shall:
  - 2.5.1. Perform the Services in accordance with the provisions of this Agreement, Applicable Law, and all permits, licenses, and specifications applicable to the operation of the Facilities; exercising the degree of skill and care ordinarily exercised by members of Operator's profession in the geographic region of the Facilities.
  - 2.5.2. Use qualified (and where required, certified) personnel to operate the Facilities and all its equipment and processes in accordance with relevant operation manuals for the Facilities (if available and provided to Operator), Applicable Law, and the Client's Permits and Discharge Permits;
- 2.6. Operator may subcontract such services hereunder as may, in Operator's sole opinion, be desirable.
- 2.7. If agreed upon by the parties, Operator will pay all costs identified in Section 3.1.2 of this Agreement on behalf of Client. Client shall reimburse Operator for such costs in accordance with the rates set forth herein and the Rate Schedule set forth in Schedule 3.

### 3) **CLIENT OBLIGATIONS**

- 3.1. Client shall:
  - 3.1.1. Obtain and maintain all state, federal, and local permits and licenses required for ownership, operation, and maintenance of the Facilities, including without limitation, the Client's Permits and Discharge Permits;
  - 3.1.2. Directly pay for: i) all costs related to delivery to and consumption of utilities to the Facility, including electricity, water, gas and telephone usage at the Facilities; ii) all property, value-related, franchise, sales, use, excise, gross receipts, transaction privilege or other taxes associated with the Services and the ownership, operation and maintenance of the Facilities, other than taxes imposed on Operator's net income or payroll; iii) expenses incurred from the treatment of Non-Processible Water, including without limitation, any penalties and fines that may be assessed as a result; iv) expenses resulting from influent or pollutant loads exceeding the requirements of the Permits as set forth in Schedule 4 or the design capabilities of the Facilities; v) expenses resulting from hydraulic or organic loads exceeding the requirements of the Permits as set forth

in Schedule 4 or the design capabilities of the Facilities; vi) all costs attributable to the transportation and disposal of grit, screenings, water treatment residuals, and

wastewater sludge and biosolids generated by or through the operation of the Facilities; vii) all Capital Improvements; viii) all costs for grass cutting and other landscaping; ix) the costs of safety equipment required at the Facilities, including, but not limited to, oxygen masks and supplies for the disinfection process; and x) all other costs not specifically assumed by Operator hereunder;

- 3.1.3. Comply with Applicable Law relating to the management, ownership, operation, maintenance, repair, and replacement of the Facilities (to the extent that the responsibility of complying with those laws is not specifically assumed by the Operator under this Agreement). The Operator shall not be responsible for Client's failure to comply with any provision of Applicable Law that is not otherwise specifically assumed by the Operator hereunder;
  - 3.1.4. During visits to the Facilities, comply with, and shall require its agents or invitees to comply with, all reasonable safety rules and regulations adopted by the Operator;
  - 3.1.5. Provide a complete set of "as-built" drawings of the Facilities and a copy of the Client's current adopted rate order, which shall include, but not be limited to, water and wastewater tap standards, rate schedules and any other information necessary for the administration of the Facilities;
  - 3.1.6. Provide any information, data, procedures, charts, spreadsheets, logs, instruments, documents, plans, designs, specifications, operating manuals and specifications, customer data, regulatory filings, permits, authorizations, licenses, operation and maintenance records, or other records requested by Operator in to perform the Services;
  - 3.1.7. Grant the Operator, free of charge, a license to use the Facilities, including all equipment, structures, vehicles, and facilities under Client's ownership and which have been assigned by Client to the Facilities; and
  - 3.1.8. Perform all duties and discharge all responsibilities and obligations relating to the Facilities not expressly assumed by the Operator in Schedule 2 of this Agreement.
- 3.2. The Client reserves the right to directly employ subcontractors for certain maintenance work within the Facilities. Operator shall receive no supervision and inspection fees and shall not be responsible in any way for services performed by subcontractors employed or paid directly by the Client, unless otherwise agreed upon by the parties.



**4) FEES AND PAYMENT**

- 4.1. For the period beginning on the Commencement Date, Client shall pay Operator for the Services performed in accordance with the Rate Schedule set forth in Schedule 3.
- 4.2. Client shall pay such invoices within thirty (30) days of the date of invoice.
- 4.3. Client shall notify Operator of any dispute with an invoice within ten (10) days from receipt of said invoice in writing. In the event that Client has a dispute with any charges, all undisputed charges on said invoice(s) will be due in accordance with the above times and the Parties shall negotiate in good faith to resolve any such dispute in a timely manner.
- 4.4. Any and all late payments due to either party from the other party shall accrue interest at a rate of one and one-half percent (1½ %) per month from the original due date and until payment is received, unless waived by written agreement.

**5) TERMINATION**

- 5.1. Either party may terminate this Agreement with or without cause upon ninety (90) days' written notice to the other party.
- 5.2. Either party may terminate this Agreement by immediate written notice if the other has failed to comply with a material term, provided that the non-defaulting party has first given the defaulting party written notice to cure their default within thirty (30) days, or ten (10) days for failure of Client to pay an undisputed invoice when due (such applicable period, "Cure Period") and the defaulting party has not done so. If a default cannot be cured within the Cure Period days, the parties may agree to an extension of the time to cure provided the defaulting party provides reasonable evidence within the Cure Period that it has identified a means to cure and is pursuing it diligently. Should Client pay an unpaid, undisputed invoice within the Cure Period, the termination notice under this provision will be deemed automatically withdrawn.
- 5.3. In the event of the termination of this Agreement by Client under Sections 5.1 or 5.2 above, Client shall pay Operator for the Services provided and invoiced by Operator up to the effective date of termination, and the effectiveness of such termination by Client will be conditioned upon receipt by Operator of such payment.

**6) FINES, INDEMNIFICATION AND LIMITATION**

Client shall be responsible for settlement of payment of all fines or penalties that may be imposed on either Client or Operator due to water or wastewater treatment violations or any other regulatory or administrative violations related to the Facilities, unless such fines or penalties are related, caused, or a result of the Operator's negligent acts or omissions or willful misconduct. In such event, Operator shall pay to the City the costs of such fines or penalties or seek a reduction in monthly compensation to Operator until such fines or penalties are paid. Prior to settlement or payment of any such fines or penalties, Operator reserves the right to contest any actions, suits, or proceedings for violations through administrative procedures or otherwise. Operator shall provide Client with prompt notice of any such violations.

- 6.1. If the Facilities loading exceed its design parameters or if influent contains: i) Abnormal or Biologically Toxic Materials, Non-Processible Water, or other substances which cannot be removed or treated by the Facilities in the condition the Facilities are in or cannot be treated by design parameters as of the Commencement Date; or ii) discharges which violate applicable sewage ordinances, the Operator will use its best reasonable efforts to maximize performance of the Facilities but shall not be responsible for associated effluent characteristics or damages, fines penalties, damages, or other liabilities which result. Operator shall provide Client with prompt notice of such conditions identified in this Section.
- 6.2. Operator shall not be liable for any damages, fines, penalties, or other liabilities of any kind resulting from following the instructions, directions, or policies of the Client or anyone acting on behalf of the Client.
- 6.3. Operator is not liable for any liabilities, losses, damages, expenses, fines, or penalties incurred by Client or any third party as a result of a data security breach or other cyber security breach to the Facilities or Client's computer systems, operating systems, and all other technological or information systems related to the Facilities and Services provided hereunder, except to the extent such liability, loss, damage, expense, fine, or penalty is the direct result of Operator's willful or negligent acts or omissions.
- 6.4. If any information, opinions, recommendations, advice, or other work product or any data, information, procedures, charts, spreadsheets, logs, instruments, documents, plans, designs, specifications, operating manuals and specifications, customer data, regulatory filings, permits, authorizations, licenses, operation and maintenance records, or other records are provided by the Client or any third party acting on behalf the Client are provide to and used or relied on by Operator, the Client will be liable for any damages resulting directly or indirectly from such use and reliance.
- 6.5. Notwithstanding any provision to the contrary contained in this Agreement, in no event shall either party be liable, either directly or indirectly, for any special, punitive, indirect and/or consequential damages, including damages attributable to loss of use, loss of income or loss of profit, even if such party has been advised of the possibility of such damages.
- 6.6. In the event that claims(s) raised by Client against the Operator on account of this Agreement, or on account of the Services performed hereunder including claims by Client for indemnification under Section 6.3, is/are covered under Operator's insurance policies required of the Operator hereunder, Operator shall not be responsible to Client for any loss, damage or liability beyond the amounts contractually required hereunder and actually paid pursuant to the limits and conditions of such insurance policies. With respect to any causes of action and/or claims raised against the Operator by Client that are not covered by the insurance policies required hereunder, including claims by Client for indemnification, Operator's liability to Client shall not exceed an aggregate amount equal to twice the compensation paid to Operator by Client in effect during the Agreement Year in which such cause of action and/or claim is raised.

FOR EQUIPMENT OR PARTS PURCHASED BY OPERATOR, OPERATOR SHALL PASS ON ANY MANUFACTURERS WARRANTIES OR GUARANTEES TO THE CLIENT AND PROVIDE THE CLIENT REASONABLE ASSISTANCE IN ENFORCING THE MANUFACTURER'S WARRANTIES AND GUARANTEES. OPERATOR SHALL NOT BE RESPONSIBLE TO THE CLIENT FOR ANY GUARANTEES OR WARRANTIES OFFERED BY OTHERS IN CONNECTION WITH ANY EQUIPMENT, MATERIALS, AND SUPPLIES PROVIDED IN CONNECTION WITH THE SERVICES HEREUNDER AND OPERATOR SHALL NOT BE LIABLE FOR ANY DAMAGES ARISING OUT OF ANY BREACH OF GUARANTEE OR WARRANTY, EXPRESS OR IMPLIED, BY ANY MANUFACTURER OR SUPPLIER OF EQUIPMENT OR MATERIALS PURCHASED FOR THE CLIENT UNDER THIS AGREEMENT. OPERATOR MAKES NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, WARRANTIES REGARDING ANY EQUIPMENT, MATERIALS, AND SUPPLIES, IF ANY, OR ANY WARRANTIES THAT MIGHT ARISE FROM COURSE OF DEALING OR USAGE OF TRADE.

**7) INSURANCE**

- 7.1. Operator shall provide and maintain the following levels of insurance coverage at all times during the Term:
  - 7.1.1. Commercial General Liability Insurance with a limit of one million dollars (\$1,000,000) per occurrence and eight million dollars (\$8,000,000) aggregate;
  - 7.1.2. Workers Compensation Insurance in compliance with the statutes of the State that has jurisdiction over Operator's employees engaged in the performance of Services hereunder, to the required statutory amount; and
  - 7.1.3. Automobile Liability Insurance with a combined single limit of one million dollars (\$1,000,000).
- 7.2. Operator shall name Client as an additional insured on the general liability policy and automobile liability policy.
- 7.3. Operator shall provide Client with thirty (30) days' notice prior to cancellation of any policy hereunder.
- 7.4. Operator shall provide Client with insurance certificates confirming the levels of coverage in Section 7.1 and that Client is named as an additional insured.
- 7.5. Client shall name Operator as an additional insured on the general liability insurance policy with respect to the Services.

**8) DISPUTES**

8.1 In the event of any disputes, the parties shall first attempt to resolve the situation by good faith discussions which shall take place in a timely manner. If the dispute cannot be resolved within sixty (60) days, the parties shall mediate their dispute before a mediator acceptable to both parties, if they cannot agree, they shall ask the Director of the Federal Mediation and Conciliation Service to nominate a mediator. The parties shall bear their own costs of the mediation, but the parties shall share equally the costs of the mediator and the mediation facilities.

**9) MISCELLANEOUS**

9.1. The relationship of Operator to Client is that of independent contractor for all purposes under this Agreement. This Agreement is not intended to create, and shall not be construed as creating, between Operator and Client, the relationship of principal and agent, joint ventures, co-partners or any other similar relationship, the existence of which is hereby expressly denied.

9.2. This Agreement contains the entire agreement between Client and Operator and supersedes all prior or contemporaneous communications, representations, understandings, or agreements that are not consistent with any material provision of this Agreement.

9.3. The parties may only modify this Agreement by a written amendment signed by both parties.

9.4. The failure on the part of either party to enforce its rights as to any provision of this Agreement shall not be construed as a waiver of its rights to enforce such provisions in the future.

9.5. Client shall not directly or indirectly solicit, hire, or otherwise retain as an employee or independent contractor any employees of the Operator during the term of this Agreement or for a period of one (1) year following the termination of this Agreement.

9.6. This Agreement shall not be assigned by either party without the prior written consent of the other party unless such assignment shall be to a parent, subsidiary, affiliate, or successor of either Party. When written consent of a party is required, such consent shall not be unreasonably withheld.

9.7. A party's performance of any obligation under this Agreement shall be excused if, and to the extent that, the party is unable to perform because of any event of Force Majeure. In any such event, the party unable to perform shall be required to resume performance of its obligations under this Agreement upon the termination of the event or cause that excused performance hereunder.

9.8. The Agreement shall be governed by and construed in accordance with the laws of the State of Texas.

9.9. In the event that Client receives notice of or undertakes the defense or prosecution of any legal or administrative action or proceeding in connection with the ownership, operation and/or maintenance of the Facilities and/or this Agreement, Client shall give Operator prompt notice of such proceedings and shall inform Operator in advance of all hearings. In the event Operator receives notice of any action, claim, suit, administrative or arbitration proceeding or investigation in connection with the ownership, operation and/or maintenance of the Facilities and/or this Agreement, Operator shall give Client prompt notice of such proceedings.

9.10. All notices will be in writing and shall be deemed given when mailed by first class mail or delivered in person. Notices required to be given to the parties by each other will be addressed to:

Inframark, LLC  
2002 West Grand Parkway North, Suite 100  
Katy, Texas 77449  
ATTN: Todd Burrer

The City of Jarrell  
161 Town Center Boulevard  
Jarrell, Texas 76537  
ATTN: Danielle Singh

With copy to:

Inframark, LLC  
220 Gibraltar Road, Suite 200  
Horsham, Pennsylvania 19044  
ATTN: Legal Department

9.11. All records compiled by Operator with information and material gathered when performing this Agreement are the property of Client.

9.12. This Agreement is made for the benefit of the parties and is not intended to benefit any third party or be enforceable by any third party.

9.13. Defined terms in this Agreement are set out in Schedule 5 or within the main body of this Agreement, capitalized or within quotation marks.

9.14. Should any part of this Agreement for any reason be declared invalid or void, such declaration will not affect the remaining parts of this Agreement, which will remain in full force and effect as if the Agreement had been executed with the invalid portion eliminated.

9.15. This Agreement may be executed in more than one counterpart, each of which shall be deemed an original.

9.16. Both parties warrant and represent to the other that they have full power and authority to enter into and perform this Agreement.

IN WITNESS WHEREOF, the Client and Operator have caused this Agreement to be executed by their duly authorized representatives.

**THE CITY OF JARRELL**

**INFRAMARK, LLC**

By: \_\_\_\_\_

By: \_\_\_\_\_

Printed Name: Danielle Singh

Printed Name: Todd Burrer

Title: City Manager

Title: President, Texas MUDs

Date: \_\_\_\_\_

Date: \_\_\_\_\_

### **Schedule 1: Client's Facilities**

Client's wastewater and water treatment facilities are:

1. Client's wastewater treatment plant with GPS coordinates of 30°49'33.9"N 97°32'49.7"W;
  2. Client's Home Place lift station with GPS coordinates of 30°49'18.45"N; 97°37'17.17"W;
  3. Client's 1st Street lift station with GPS coordinates of 30°49'48.12"N; 97°36'47.67"W;
  4. Client's Double Creek lift station with GPS coordinates of 30°50'4.53"N; 97°37'11.26"W;
  5. Client's water distribution system, which consists of the pipes that distributes water to the residents of the City of Jarrell, Texas via water meters;
  6. Client's potable water well with GPS coordinates of 30°49'4.38"N; 97°36'56.91"W;
- and
7. Client's potable water plant with GPS coordinates of 30°79'05.016 N, 97°62'53.717 W.

## Schedule 2: Operator's Services

### I. SERVICES

A. ADMINISTRATIVE SERVICES: Operator shall provide the following services to the Client at no additional cost:

1. Organization. Operator shall administer the work, activities, and operations of the System in accordance with the items in this Agreement.
2. Personnel. Operator shall provide competent, trained personnel. System supervisors and/or operators shall be licensed or certified by the appropriate state governmental authority. Accounting and field personnel shall be trained to be professional and courteous in dealing directly with the Client's customers.
3. Training. Operator shall maintain a continuing education program for all employees. Specifically, all System supervisors and operators shall attend a state certified or approved water or wastewater training course at least once each year or otherwise receive a minimum of 20 hours of training each year, to the greatest extent practicable.
4. Start Up. When first assuming operations management of the System, Operator shall:
  - a. Enter and maintain all of the Client's Customer and Rate Order information necessary to provide monthly billings to the Client's customers.
  - b. Inventory and maintain a listing of all of the System equipment including manufacturer's model and serial numbers, motor frame numbers and other such data as required to provide immediate information for the Scheduled Maintenance Program and repair or replacement of the System equipment.
  - c. Assist the Client in preparing a rate order and, upon request, analyze the existing rate order and budget for adequacy and consistency.
  - d. Assist in the preparation of an annual operating budget for the Client.
5. Maintenance Scheduling. Operator shall provide a Scheduled Maintenance Program for the System equipment, including collection and distribution systems. Developed by Operator, this program utilizes equipment manufacturer's recommendations and the System equipment inventory to generate maintenance schedules. The resulting monthly schedule lists the specific System equipment to be serviced, the detailed service procedure, specified oil, or grease to be used, and a history of service, maintenance, and replacements. The Client consents to the administration of the mutually agreed upon maintenance schedule by Operator.
6. 24 Hour Service. Operator shall maintain 24-hour telephone and dispatch service with qualified personnel to respond to the System's customer problems and equipment malfunctions.
7. Automatic Telephone Alarm. Operator shall monitor computer or automatic dialed telephone alarm systems at any of the System facilities which are installed and programmed to call the Operator 24-hour telephone dispatch service.
8. Employee Identification. Operator operating and maintenance employees shall be readily identifiable to the Client's customers by distinctive clothing. Service vehicles shall have the Operator logo prominently displayed.
9. Coordination with Consultants. Operator shall coordinate with the Client's other consultants, such as attorneys, engineers, auditors, bookkeepers, tax assessors, and financial advisors as necessary to maintain efficient operation of the System.
10. Inquiries and Correspondence. Operator shall respond to routine inquiries or correspondence



from the Client's directors, customers or consultants in a prompt, professional manner.

11. Client Meetings. Operator's Account Manager will attend regularly scheduled meetings which have an agenda item relating to the System's operations, including but not limited to smart meter usage and initial registration. The Operator representative will have direct knowledge of the System's ongoing operations or agenda items as appropriate.
12. Community Relations. Upon adequate notice, Operator shall provide speakers qualified to make presentations to citizen groups, civic associations, and schools within the Client. Subjects shall include utility regulations, water and wastewater facilities operations and the Client's budgeting and operations functions.
13. Customer Relations. Operator shall render reasonable assistance in the promotion of good relations with the Client's customers.
14. Client Funds. All funds collected by Operator on behalf of the Client shall be deposited in the Client's Operating Fund or Account every other day or as may otherwise be directed by the Client. All such funds are public funds and may be pledged to the payment of debts of the Client; therefore, Operator agrees that all such funds shall be deposited as provided above without setoff, counterclaim, abatement, suspension, or diminution. Operator will maintain Commercial Crime insurance as set forth in Section III of this Agreement to protect the Client against theft of Client funds by Operator employees not in collusion with a Client employee.
15. Smart Meter Registration. Operator shall provide Client's customers with assistance in registering to use the Client's smart meter online customer account portal. Such assistance shall include but not be limited to including an explanatory letter on the registration and use of smart meter online portal with water bills for a determined period of time after initiation of service and annually hanging door tags explaining the registration and use of the smart meter online customer account portal.
16. Audit. Make available to the City during normal business hours the books, accounting, and other materials necessary to ensure all costs billed to the City have been properly expended. Such documents shall be maintained for at least five years and this provision survives termination or expiration of the Agreement.

B. BASIC SERVICES: Operator shall provide the following Basic Services for the Base Monthly Operations Fees as set forth in the Schedule of Standard Rates, a copy of which is included hereto as Schedule 3:

1. System Operations. Operator shall provide personnel, vehicles, and hand tools necessary for the operation and maintenance of the System.
2. System Inspection. Operator shall monitor the System facilities daily, including weekends and holidays as required by state regulations.

Operator employees, whenever they are within the city's boundaries, shall monitor the System in order to observe condition of fire hydrants, leaks, defects, damage, and be alert for missing System equipment.

3. Meter Reading and Related Services:
  - a. Operator shall pull an electronic read of the System water meters once each month. This procedure includes a special "high low and dead meter" audit which isolates customer usage that is unusually high or low.
  - b. Operator shall monitor smart meter replacement warranties and manage the repair and

replacement of damaged and non-working meters.

Daily Maintenance. Operator shall provide the personnel and hand tools for maintenance tasks which do not utilize specialized tools, safety equipment or technical skills. This includes cleaning or changing blower filters, draining condensate in clarifier drives and air compressors, maintaining oil levels on oil lubricated blowers and drip oilers and exercising auxiliary engines.

1. Operating Log. Operator shall maintain an operating log at the System water and wastewater treatment plants which may be inspected by the Client at any time. The logs shall include the following:
  - c. Flow records.
  - d. Notations recording repairs or replacements performed.
  - e. Such other matters within the scope of Operator's work which the Client may reasonably request.
  - f. Any information required by regulatory entities.
2. Monthly Operations Report. Operator shall render a monthly operations report, as requested by the Client, which shall include the following information:
  - g. State and/or federal wastewater discharge reports.
  - h. Correspondence to regulatory authorities as appropriate.
  - i. Average daily wastewater flows
  - j. Daily or monthly water production flow data
  - k. The number of gallons of water pumped from the System water system and the number of gallons billed to the Client's customers.
  - l. Total number of service connections, water, and wastewater.
  - m. Comparison of water volume produced to subsidence Client permit limits, if applicable.
  - n. Records regarding equipment repairs and replacements.
  - o. Abnormal change in condition of the System equipment, needed repairs and recommendations as to the repair of such equipment.
  - p. Insurance claims filed on behalf of the Client.
  - q. Service customers' receivables, including 30, 60, and 90 day aged accounts.
  - r. Delinquent customer report, including information on termination of water service and protests or appeals made by customers.
  - s. Summary of taps installed, inspections performed, and fees collected.
  - t. Damage to the System and the possible causes thereof. In instances where the damage may be attributable to a contractor, builder, utility company or other entity, Operator shall (on behalf of the Client) back charge the party responsible for such damage, including administrative costs thereof, and include such information in the monthly report.
  - u. Informational reports relating to compliance status of the System.
  - v. Statistics relating to overall System operations, as appropriate.
  - w. Summary of operations and maintenance costs of joint facilities shared with other Clients, if applicable.

- x. Summary and details of monthly invoices to the Client separated into specific budget categories.
  - y. Operations and maintenance cost data to bookkeeper for use in budget comparisons.
  - z. maintaining oil levels on oil lubricated blowers and drip oilers and exercising auxiliary engines.
3. Operating Log. Operator shall maintain an operating log at the System water and wastewater treatment plants which may be inspected by the Client at any time. The logs shall include the following:
- aa. Flow records.
  - bb. Notations recording repairs or replacements performed.
  - cc. Such other matters within the scope of Operator's work which the Client may reasonably request.
  - dd. Any information required by regulatory entities.
4. Monthly Operations Report. Operator shall render a monthly operations report, as requested by the Client, which shall include the following information:
- ee. State and/or federal wastewater discharge reports.
  - ff. Correspondence to regulatory authorities as appropriate.
  - gg. Average daily wastewater flows
  - hh. Daily or monthly water production flow data
  - ii. The number of gallons of water pumped from the System water system and the number of gallons billed to the Client's customers.
  - jj. Total number of service connections, water, and wastewater.
  - kk. Comparison of water volume produced to subsidence Client permit limits, if applicable.
  - ll. Records regarding equipment repairs and replacements.
  - mm. Abnormal change in condition of the System equipment, needed repairs and recommendations as to the repair of such equipment.
  - nn. Insurance claims filed on behalf of the Client.
  - oo. Service customers' receivables, including 30, 60, and 90 day aged accounts.
  - pp. Delinquent customer report, including information on termination of water service and protests or appeals made by customers.
  - qq. Summary of taps installed, inspections performed, and fees collected.
  - rr. Damage to the System and the possible causes thereof. In instances where the damage may be attributable to a contractor, builder, utility company or other entity, Operator shall (on behalf of the Client) back charge the party responsible for such damage, including administrative costs thereof, and include such information in the monthly report.
  - ss. Informational reports relating to compliance status of the System.
  - tt. Statistics relating to overall System operations, as appropriate.
  - uu. Summary of operations and maintenance costs of joint facilities shared with other Clients, if applicable.
  - vv. Summary and details of monthly invoices to the Client separated into specific budget

5. Operating Log. Operator shall maintain an operating log at the System water and wastewater treatment plants which may be inspected by the Client at any time. The logs shall include the following:
  - ww. Flow records.
  - xx. Notations recording repairs or replacements performed.
  - yy. Such other matters within the scope of Operator's work which the Client may reasonably request.
  - zz. Any information required by regulatory entities.
6. Monthly Operations Report. Operator shall render a monthly operations report, as requested by the Client, which shall include the following information:
  - aaa. State and/or federal wastewater discharge reports.
  - bbb. Correspondence to regulatory authorities as appropriate.
  - ccc. Average daily wastewater flows
  - ddd. Daily or monthly water production flow data
  - eee. The number of gallons of water pumped from the System water system and the number of gallons billed to the Client's customers.
  - fff. Total number of service connections, water, and wastewater.
  - ggg. Comparison of water volume produced to subsidence Client permit limits, if applicable.
  - hhh. Records regarding equipment repairs and replacements.
  - iii. Abnormal change in condition of the System equipment, needed repairs and recommendations as to the repair of such equipment.
  - jjj. Insurance claims filed on behalf of the Client.
  - kkk. Service customers' receivables, including 30, 60, and 90 day aged accounts.
  - lll. Delinquent customer report, including information on termination of water service and protests or appeals made by customers.
  - mmm. Summary of taps installed, inspections performed, and fees collected.
  - nnn. Damage to the System and the possible causes thereof. In instances where the damage may be attributable to a contractor, builder, utility company or other entity, Operator shall (on behalf of the Client) back charge the party responsible for such damage, including administrative costs thereof, and include such information in the monthly report.
  - ooo. Informational reports relating to compliance status of the System.
  - ppp. Statistics relating to overall System operations, as appropriate.
  - qqq. Summary of operations and maintenance costs of joint facilities shared with other Clients, if applicable.
  - rrr. Summary and details of monthly invoices to the Client separated into specific budget categories.
  - sss. Operations and maintenance cost data to bookkeeper for use in budget comparisons.

ttt. Information and reports as may be required for audit of the Client's service accounts.

uuu. Summary of all meters that are not reading, are damaged, or need to be repaired or replaced.

Details of the above reports will be available to provide a clear audit trail of the System water and sewer service transactions.

7. Regulatory Reports. Operator shall prepare and submit routine monthly reports required by regulatory authorities and authorized by the Client to receive such reports.

C. **INSTALLATION AND INSPECTION SERVICES:** Operator shall provide the following Installation and Inspection Services for labor and equipment fees as set forth in the Schedule of Standard Rates, a copy of which is included hereto as Schedule 3:

1. General. All meters and installation materials shall meet American Water Works Association standards and be in compliance with applicable city, county, and state codes. All installation and inspection fees shall be collected from the Client's customers in advance, in accordance with the Client's Rate Order.

It is the practice of the Operator to maintain permanent records of meter services installed and tap fees paid. This includes a plat or map, as available, which shows the location of each meter installed and each sewer inspection performed. This allows Operator to accurately account for meter services installed, inspections performed and tap fees paid for each customer of the Client.

2. Residential Meters. Typical residential water connections (5/8-inch x 3/4-inch and less than five feet deep) will be installed.

Non-typical residential water connections (1 inch and more than five feet deep) will be installed at an additional cost to the Client.

3. Commercial Meters. Commercial connections, single family connections for meters larger than 5/8-inch x 3/4 inch and other special connections will be installed.
4. Sanitary Sewer Inspections. Operator shall inspect each sanitary sewer connection to the System to assure compliance with the Client's specifications and procedures, for each residential connection and paid in accordance with its standard time and materials rates for each commercial inspection.
5. Customer Service Inspections. Operator shall perform residential plumbing inspections on behalf of the Client as requested or as required by the Client's Rate Order.
6. Backflow Prevention Inspections. Operator shall perform backflow prevention device inspections on behalf of the Client as requested or as required by the Client's Rate Order.
7. Grease Trap Inspections. Operator shall perform grease trap inspections on behalf of the Client as requested or as required by the Client's Rate Order.
8. Fire Hydrants. Operator shall inspect the System fire hydrants, each year, a written report shall be submitted to the Client and Operator shall make recommendations regarding repairs for maintenance needed; provided, however, Operator shall immediately notify the Client of any non-working fire hydrants and repair said non-working fire hydrants as soon as reasonably possible, unless otherwise directed by the Client. A written report shall be submitted to designated fire departments as requested by the Client.
9. Other Inspections. Operator shall perform other inspections as requested or authorized by the Client. Such inspections include, but are not limited to, sample wells, cross connections, erosion

control for construction sites, or new facilities prior to acceptance by the Client. Operator may also participate in site inspections with contractors prior to the start of building activity to assist in verifying the condition of the System.

D. MAINTENANCE, REPAIR AND REPLACEMENT SERVICES: Operator shall provide the following Maintenance, Repair and Replacement Services for labor and equipment fees as set forth in the Schedule of Standard Rates, a copy of which is included hereto as Schedule 3:

1. Maintenance. Operator shall provide personnel, tools, and equipment to perform maintenance on the System as authorized by the Client. Maintenance shall include, but not be limited to, the following: Fire hydrant; valve; manhole and sewer line infiltration/inflow surveys consisting of on-site visual inspection of facilities, smoke testing and video monitoring (TV inspection) as appropriate. Perform or participate in the rehabilitation of the sewer system to correct defects discovered by the infiltration/inflow survey.
  - a. Perform, or have performed, all sampling, testing and/or analyses as required by regulatory authorities or necessary for process control and shall be paid for by the Client. A summary of test results shall be submitted to the Client each month.
  - b. Other maintenance as necessary, which requires special skills and/or tools, performed in conformance with equipment manufacturer's recommendations to maintain warranties and to extend the useful life of the equipment.
2. Repair. Operator shall provide personnel and equipment to perform repairs on collection and distribution systems as authorized by the Client including, but not limited to, service line leaks, leaks at water meters, water main breaks, repairs to valves and fire hydrants, manhole repairs, and sewer line repair and cleaning, as needed.
3. Replacement. Operator shall use a reasonable degree of care with respect to replacement of equipment or facilities but shall not be responsible to the Client for any guarantees or warranties offered by others in connection with such equipment or facilities. Operator agrees to make reasonable efforts to obtain for and assign to the Client the normal guarantees or warranties associated with any replacement equipment.
4. Maintenance, Repair and Replacement Fees. In an effort to reduce costs, Operator shall attempt to schedule and perform these services during normal working hours, excluding holidays and weekends. Non-emergency work shall not be billed on an overtime rate unless prior approval is obtained from the Client.
5. Expendable Items. Operator shall, at the Client's expense, in accordance with Schedule 3, replace those items expended in the daily operation of the System. Those items include, but are not limited to, brooms, mops, dip nets, rakes, shovels, trash cans, hoses, nozzles, padlocks, and other such items used at the System facilities.
6. Emergency Response. Operator shall maintain personnel and equipment for emergency response 24 hours per day, seven days per week and 365 days per year. Emergencies shall include, but not be limited to, water leaks, water line breaks, loss of water pressure, degradation of water quality, blockage in the sewage collection system, water or wastewater plant malfunctions that could result in regulatory or permit excursions, any response requested by the Client or its representative or response to insistent resident concerns when necessary to maintain good Client relations.
7. Materials and Supplies. Operator shall be paid for all materials and supplies used to provide services under this Agreement, in accordance with Schedule 3.

E. OTHER SERVICES: Operator shall provide the following Other Services for labor and equipment fees as set forth in the Schedule of Standard Rates, a copy of which is included hereto as Schedule 3:

1. Landscape Services. Operator shall provide services to maintain the landscape appearance compatible with the neighborhood at the System facilities with routine trimming and lawn mowing, as necessary. These services will be provided by a subcontractor retained by Operator and will be charged to the Client on an outside contractor basis.
2. Meter Disconnects/Reconnects. Operator shall terminate water service in accordance with the Client's Rate Order or policy, or when otherwise requested by the Client's Board of Directors. One week after service termination and periodically thereafter, Operator shall check the terminated service to assure that service has not been restored by unauthorized personnel. The Client shall pay Operator a fee of time and materials for each unauthorized usage check.
3. Meter Removal/Installation/Reinstallation. Operator shall remove a customer's water meter if service is restored by unauthorized personnel prior to the customer paying the amount owed to the Client, or at the request of the Client's Board of Directors.
4. Meter Verification/Re-Read. The Client shall be charged for actual labor and equipment.

### Schedule 3: Operator's Rate Schedule

#### Base Monthly Operations Fees

|                            |             |                                    |
|----------------------------|-------------|------------------------------------|
| Water Treatment Plant      | \$ 1,500.00 | per plant, per month               |
| Sewer Treatment Plant      | \$ 6,000.00 | per plant, per month               |
| Lift Station               | \$ 500.00   | per lift station, per month        |
| Erosion Control Inspection | \$ 500.00   | per inspection                     |
| Distribution Residuals     | \$ 500.00   | per month                          |
| Management and Compliance  | \$ 3,775.00 | per month                          |
| Residential Connection Fee | \$ 5.50     | per connection or apt. unit served |
| Commercial Connection Fee  | \$ 5.50     | per 10,000 gallons of water usage  |

The following is a partial list of Operator's charges showing the current rates:

#### Water Service Set Meters and Taps

|   |                                    |
|---|------------------------------------|
| *Residential Meters 5/8" x 3/4"                           | Labor, Vehicle and Equipment Rates |
| *Residential Meters 3/4" x 3/4"                           | Labor, Vehicle and Equipment Rates |
| *Non-typical Residential Meters 1"                        | Labor, Vehicle and Equipment Rates |
| *Residential Badger E Series Ultrasonic Meter 5/8" x 3/4" | Labor, Vehicle and Equipment Rates |
| *Residential Badger E Series Ultrasonic Meter 3/4" x 3/4" | Labor, Vehicle and Equipment Rates |
| *Residential Badger E Series Ultrasonic Meter 1"          | Labor, Vehicle and Equipment Rates |
| Taps larger than 1"                                       | Custom Quote                       |

#### Sanitary Sewer Inspection

|             |              |                |
|-------------|--------------|----------------|
| Residential | \$ 60.00     | per inspection |
| Commercial  | Custom Quote | per inspection |

#### Customer Service Inspections

|                               |              |                          |
|-------------------------------|--------------|--------------------------|
| Residential-Pre-site          | \$ 40.00     | per inspection/rejection |
| Residential-Slab              | \$ 35.00     | per inspection/rejection |
| Residential-Wall              | \$ 35.00     | per inspection/rejection |
| Residential-Fixture           | \$ 70.00     | per inspection/rejection |
| Residential-Final Site Survey | \$ 60.00     | per inspection/rejection |
| Non-Residential               | Custom Quote | per inspection/rejection |



**Schedule 3: Operator's Rate Schedule – CONTINUED**

**Other Types of Inspections**

|                     |                                    |                          |
|---------------------|------------------------------------|--------------------------|
| Backflow Prevention | \$ 125.00                          | per inspection/rejection |
| Grease Trap         | \$ 60.00                           | per inspection           |
| Fire Hydrant        | Labor, Vehicle and Equipment rates |                          |

**Labor and Supervision**

Salary Cost X 2, which consists of the hourly rate and benefit cost X 2.  
 Overtime rates of time and one-half will apply for work performed in excess of eight (8) hours per day or 40 hours per week, and on weekends and holidays as designated by Operator as company holidays.

**Vehicles and Equipment**

|                            |          |          |
|----------------------------|----------|----------|
| Utility Truck              | \$ 22.00 | per hour |
| Electrical Vehicle         | \$ 37.50 | per hour |
| Maintenance Truck          | \$ 35.00 | per hour |
| Mechanical Truck           | \$ 37.50 | per hour |
| Chlorination Truck         | \$ 37.50 | per hour |
| Crew Truck                 | \$ 50.00 | per hour |
| Crane Truck                | \$ 70.00 | per hour |
| Backhoe w/trailer          | \$ 65.00 | per hour |
| Shoring Equipment          | \$ 30.50 | per hour |
| Utility Trailer            | \$ 13.00 | per hour |
| Lowboy (Gooseneck) Trailer | \$ 13.50 | per hour |

**Other Services**

|                                |   |
|--------------------------------|---|
| Sludge Management and Disposal | No markup on invoices paid directly by the Client |
| Landscape Services             | Outside contractor rates, plus markup             |
| Meter Verification/Re-Read     | Labor, Vehicle and Equipment rates                |
| Special Studies/Reports        | Labor, Vehicle and Equipment rates                |

Outside contractor, professional services, and materials utilized for services in this Schedule 3, will be billed at cost plus 15%.

Operator shall hold firm the rates set forth in this Schedule 3 for a period of one (1) year from the date of this Agreement. For subsequent years, the regular rates will be increased by the same percentage as any increase in the Urban Consumers – Water and Sewerage Maintenance (CPI-U) for the U.S. City Average, 1982-84=100 as published monthly by the U.S. Department of Commerce, Bureau of Labor Statistics (the "Price Index"), or any replacement to that index from time to time, during the preceding twelve (12) months. The increase in the Price Index shall be determined by calculating the percentage increase between the Price Index in effect as of the month of each and every anniversary of this Agreement date over the Price Index in effect as of the month of the previous anniversary date. In no event shall the rates herein be decreased by virtue of any such adjustment.

## Schedule 4: Client's Permits

### TPDES Permit No. WQ0014594001 Expires: February 27, 2025

City of Jarrell

TPDES Permit No. WQ0014594001

INTERIM EFFLUENT LIMITATIONS AND MONITORING REQUIREMENTS

Outfall Number 001

1. During the period beginning upon the date of issuance and lasting through the completion of expansion to the 2.0 million gallons per day (MGD) facility, the permittee is authorized to discharge subject to the following effluent limitations:

The annual average flow of effluent shall not exceed 1.0 MGD, nor shall the average discharge during any two-hour period (2-hour peak) exceed 2,431 gallons per minute (gpm).

| Effluent Characteristic                        | Discharge Limitations       |                   |                   |                     | Min. Self-Monitoring Requirements                          |                           |
|--|-----------------------------|-------------------|-------------------|---------------------|--|---------------------------|
|  | Daily Avg<br>mg/l (lbs/day) | 7-day Avg<br>mg/l | Daily Max<br>mg/l | Single Grab<br>mg/l | Report Daily Avg. & Daily Max.<br>Measurement<br>Frequency | Daily Max.<br>Sample Type |
| Flow, MGD                                      | Report                      | N/A               | Report            | N/A                 | Continuous   | Totalizing Meter          |
| Carbonaceous Biochemical Oxygen Demand (5-day) | 10 (83)                     | 15                | 25                | 35                  | Two/week   | Composite                 |
| Total Suspended Solids                         | 15 (125)                    | 25                | 40                | 60                  | Two/week   | Composite                 |
| Ammonia Nitrogen                               | 2 (17)                      | 5                 | 10                | 15                  | Two/week   | Composite                 |
| Total Dissolved Solids*                        | Report (Report)             | N/A               | Report            | N/A                 | One/week   | Composite                 |
| Chlorides*                                     | Report (Report)             | N/A               | Report            | N/A                 | One/week   | Composite                 |
| E. coli, CFU or MPN/100 ml                     | 126                         | N/A               | 399               | N/A                 | Two/month  | Grab                      |

\*See Other Requirement No. 9 on page 35.

### Stormwater Permit No. TXR05EZ98 Expires: August 14, 2026

**Authorization Details**

**Site Name on Permit:** CITY OF JARRELL  
**Authorization Type:** INDUSTRIAL  
**Primary SIC Code:** 4952  
**Activity Code:** TW  
**Facility Operational Status:** ACTIVE  
**Hazardous Metals Waiver:** NO  
**Sector:** T  
**Outfall Number:** 001  
 SEGMENT NUMBER - 1213  
 RECEIVING WATER BODY - DONAHOE CREEK  
 OUTFALL LATITUDE - 30.82416  
 OUTFALL LONGITUDE - (-97.54561)  
 DISCHARGE TO MARINE OR FRESH - FRESH WATER

**Permittee Information**

**Operator:** CN602777716 - City of Jarrell  
**Address:** 161 TOWN CENTER BLVD JARRELL TX 76537 4003  
**Annual Fee Billing Address:** BILL LAWSON  
 161 TOWN CENTER BLVD JARRELL TX 76537 4003

### Water well – Edwards Aquifer Authority

| (Active Sources)       |                               |                    |             |                |            |           |
|------------------------|-------------------------------|--------------------|-------------|----------------|------------|-----------|
| Source Number          | Source Name (Activity Status) | Operational Status | Source Type | Depth          | Tested GPM | Rated GPM |
| G2460169A              | 1 - 161 TOWN CENTER BLVD (A)  | P                  | G           | 301            | 379 GPM    | 200 GPM   |
| Drill Date             |                               | Source Summary     |             |                |            |           |
| None Available         |                               | UNKNOWN            |             |                |            |           |
| GPS Latitude (decimal) | GPS Longitude (decimal)       | GPS Elevation      | GPS Date    | Seller         |            |           |
| 30.817894              | -97.615788                    | 0                  | 08/04/2016  | Not Purchasing |            |           |

## Schedule 5: Definitions

*"Abnormal or Biologically Toxic Materials"* may include, but are not limited to, concentrations of heavy metals, phenols, cyanides, pesticides, herbicides, priority pollutants as listed by USEPA, any substance that violates the local or USEPA standards for finished water after the routine processing of the raw water, or any substance or material for which the Facilities and routine procedures are not designed to receive or treat.

*"Applicable Law"* means laws, rules, regulations, codes, administrative and judicial orders, directives, guidelines, judgments, rulings, interpretations or similar requirements or actions of any federal, state, local government, agency or executive or administrative body of any of the above, in each case that relate to the (a) parties' respective responsibilities under this Agreement; (b) operation or maintenance of the Facilities; (c) health and welfare of individuals working at or visiting the Facilities; and (d) the collection, delivery, and treatment of the Client's raw and finished water.

*"Capital Improvements"* means any modifications, additions or upgrades to the Facilities made by or on behalf of the Client or with its prior approval and funded from Client's capital proceeds.

*"Client's Permit(s)"* and/or *"Permit(s)"* means all permits and licenses issued to Client and required for the treatment of potable water from the Facilities. Copies of all Permits are attached as Schedule 7 of this Agreement.

*"Emergency Event"* means an event which threatens the immediate shutdown of, or the substantial reduction in the operational capacity of, any of the Facilities, or the life, health, or property of Client and/or Operator, their employees and/or agents or others.

*"Force Majeure"* means an event which is beyond the reasonable control of a party, including without limitation: (a) acts of God; (b) flood, fire, earthquake, hurricane, or explosion; (c) war, invasion, hostilities (whether war is declared or not), terrorist threats or acts, riot, or other civil unrest; (d) government order or law;

(e) actions, embargoes, or blockades in effect on or after the date of this Agreement; (f) action by any governmental authority; (g) national or regional emergency; (h) strikes, labor stoppages or slowdowns or other industrial disturbances, other than those involving the affected parties employees;] (i) shortage of adequate power or transportation facilities.

*"Non-Processible Water"* is defined as influent raw water (i) which contains Abnormal or Biologically Toxic Materials; or (ii) which is otherwise detrimental to the operation and performance of the Facilities; or (iii) which exceeds the design capabilities of the Facilities as defined by the Operations and Maintenance Manual for the Facilities or as provided in submissions made to regulatory agencies in connection with the construction and/or the permitting of the Facilities.

