

**RIVER PLANTATION MUNICIPAL UTILITY DISTRICT****NOTICE OF PUBLIC MEETING**

Notice is hereby given to all interested members of the public that the Board of Directors of the captioned district will hold a public meeting at **610 River Plantation Drive, Conroe, Texas 77302.**

The meeting will be held at **6:30 p.m.** on **Thursday, April 28, 2022.**

The subject of the meeting is to consider and act on the following:

1. Minutes of the meeting of Board of Director(s)
2. Receive comments from the Public
3. Election of Secretary
4. Sale of \$6,950,000 Unlimited Tax Bonds, Series 2022
  - a. Open Bids and Order Awarding Sale of Bonds
  - b. Approve Bond Order for Sale of Bonds
  - c. Approve Official Statement
  - d. Approve Paying Agent Agreement
  - e. Approve certificates, resolutions, orders, and all documents necessary to complete approval, registration and delivery of Series 2022 Bonds and authorize President, Secretary and consultants to take all actions necessary to complete approval, registration, and delivery of Series 2022 Bonds
5. Seconded Amended and Restated Agreement for Bookkeeping Services
6. Financial and bookkeeping matters including:
  - a. Bookkeeper's report
  - b. Tax Assessor-Collectors' report
  - c. Review of investments
  - d. Payment of District bills
7. Discuss Director vacancy
8. Engineer's report
9. General Operating Contract with Municipal Operations and Consulting
10. Joint Sewer Plant Contract with Municipal Operations and Consulting
11. Review administrative reports
  - a. Manager's report.
  - b. System totals report.
  - c. TCEQ Compliance matters
  - d. Maintenance and Repairs
  - e. Customer damage to water line
  - f. Review bids and award contract to replace Brandon Road sewer line

- 12. Executive (closed) Session Pursuant to Texas Government Code §§ 551.071, 551.072, 551.074 and 551.076 as necessary
- 13. Pending business



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J. Davis Bonham, Jr., Attorney for the District

**RIVER PLANTATION MUNICIPAL UTILITY DISTRICT**

**BOARD MEETING MINUTES**

**March 28, 2022**

**DIRECTORS PRESENT:** Julie Gilmer, Tim Goodman, Mark Robin, and Tom Vandever

**DIRECTORS ABSENT:** none

**OTHERS PRESENT:** River Plantation Residents; Mark Denham, Dee Judge, Linda Vandever, Betty Brown, Tim and Denise Horner, Robert McLeroy; Sulu Chapman, Paul Meiclart; Carol Morrison and Kaye Trenary of MAC; Kandy Ofiffer of Elite Bookkeeping, Brian Desilets and Eric Gonzalez of Clarity Consulting

Richard Ramirez, District Manager  
 J. Davis Bonham, Jr., District Attorney  
 Paul Radich, District Attorney  
 Taylor Reed, District Engineer  
 Jeff Vogler, District Engineer

**OTHERS PRESENT BY MICROSOFT TEAMS:**

J. Davis Bonham, Jr., District Attorney  
 Paul Radich, District Attorney  
 Leslie Cook, Financial Advisor

**FIRST ORDER: CONFIRM MINUTES OF THE BOARD OF DIRECTORS MEETINGS HELD ON FEBRUARY 24, 2022 AND MARCH 8, 2022**

The Board considered the February 24, 2022 meeting minutes. After discussion, upon motion by Director Vandever, seconded by Director Robin and unanimously carried, the Board approved the minutes of February 24, 2022.

The Board considered the March 8, 2022 meeting minutes. After discussion, upon motion by Director Robin, seconded by Director Vandever and unanimously carried, the Board approved the minutes of March 8, 2022.

**SECOND ORDER: PRESENTATION FROM LONE STAR DISC**

The Board noted that Lone Star Disc was not in attendance. The Board then discussed concerns from District residents and whether or not such a proposal should be considered. Upon motion duly made, seconded and unanimously carried, the Board agreed that the matter will not be considered further.

**THIRD ORDER: RECEIVE COMMENTS FROM THE PUBLIC**

The Board reviewed public comment. Mark Denham voiced concerns about the proposed disc golf course and general safety and infrastructure concerns within the District. Robert McLeroy concurred with concerns raised and proposed to not go forward with the proposed disc golf course.

**FOURTH ORDER: SETTLEMENT AGREEMENT WITH RIVER PLANTATION PROPERTIES**

The Board recognized Paul Radich who addressed the Board regarding the settlement agreement with River Plantation Properties. Mr. Radich informed the Board that the judgement has been signed and recorded in the real property records and that a motion to withdraw the funds from the registry of the court has been filed.

**FIFTH ORDER: RECEIVE REPORT FROM ENGINEER**

Taylor Reed presented the engineer's report. The annual MS4 permit report has been prepared and is ready to submit to the TCEQ. Upon motion made by Director Vandever, seconded by Director Goodman, the Board authorized submission of the Annual MS4 permit report to the TCEQ. The Board discussed the advertisement of the Phase I storm sewer cleaning and televising projects. The Board directed the engineer to proceed with the advertisement and solicitation of the projects necessary to present bids at the April meeting. Upon motion made by Director Robin, seconded by Director Goodman and unanimously carried, the Board approved the engineer's report as presented.

**SIXTH ORDER: REVIEW FINANCIAL AND BOOKKEEPING MATTERS INCLUDING**

The Board reviewed the bookkeeper's report. The Board reviewed the report and invoices. Upon motion made by Director Goodman, seconded by Director Vandever, and unanimously carried, the Board approved the bookkeeper's report as presented.

The Board reviewed the tax assessor-collector's report. Upon motion made by Director Goodman, seconded by Director Robin, and unanimously carried, the Board accepted the tax assessor-collector's report.

The Board reviewed the investment report. No action was taken.

The Board then considered the payment of District bills. Upon motion duly made by Director Vandever, seconded by Director Goodman, and unanimously carried, the Board approved payment of the District bills.

**SEVENTH ORDER: PROPOSAL(S) FOR BOOKKEEPING SERVICES**

The Board recognized representatives of Clarity Consulting and Elite Bookkeeping who presented proposals for the provision of bookkeeping services.

**EIGHTH ORDER: BOOKKEEPER CONTRACT**

The Board then considered the proposed amendment to the bookkeeper's contract. After discussion, the Board requested an additional 30 days to make a decision.

**NINTH ORDER: REVIEW ADMINISTRATIVE REPORTS**

Mr. Ramirez addressed the Board regarding maintenance and repairs performed during the prior month. The repairs included two water line failures and the partial collapse of a storm sewer line. Mr. Ramirez then informed the Board that at approximately 2:30 today before the start of the meeting that Gerard Smith personally delivered his letter of resignation to Mr. Ramirez and has resigned from the Board.

**TENTH ORDER: RESOLUTION AUTHORIZING ISSUANCE AND DISTRIBUTION OF PRELIMINARY OFFICIAL STATEMENT FOR DISTRICT'S \$6,950,000 UNLIMITED TAX BONDS, SERIES 2022**

The Board then considered the Resolution Authorizing the Issuance and Distribution of the Official Notice of Sale and Preliminary Official Statement for the District's \$6,950,000 Unlimited Tax Bonds, Series 2022. After discussion, upon motion by Director Robin, seconded by Director Vandever and unanimously carried, the Board Authorized the Issuance and Distribution of the Official Notice of Sale and Preliminary Official Statement for the District's \$6,950,000 Unlimited Tax Bonds, Series 2022.

**ELEVENTH ORDER: OPERATOR'S PROPOSALS; AUTHORIZE CONTRACT NEGOTIATIONS AS NECESSARY**

The Board discussed the proposals received for the operation of the District's facilities. Upon motion by Director Goodman, seconded by Director Vandever and unanimously carried, the Board agreed that the District should contract with a third party for the operation of District facilities. Upon motion by Director Robin, seconded by Director Goodman and unanimously carried, the Board directed the attorney to work with Municipal Operations and Consulting on the preparation of a contract for the Board's consideration at the April meeting.

**TWELFTH ORDER: EXECUTIVE SESSION**

No Executive Session was necessary.

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Mark Robin  
Assistant Secretary

## RIVER PLANTATION MUNICIPAL UTILITY DISTRICT

## Order Awarding Sale of Bonds

The Board of Directors (the “Board”) of River Plantation Municipal Utility District (the “District”) met at a regular meeting at the District’s regular meeting place on April 28, 2022, with a quorum of Directors present as follows:

Julie Gilmer, President  
Timothy Goodman, Vice President  
Thomas Vandever, Treasurer  
Mark Robin, Assistant Secretary

and the following were absent:

None

when the following business was transacted:

The order set out below was introduced for consideration of the Board. It was then duly moved and seconded that said order be adopted; and, after due discussion, said motion carried by the following vote:

Ayes: All directors shown present.  
Noes: None.

The order thus adopted is as follows:

Be it ordered by the board of directors of River Plantation Municipal Utility District that to enable the District to proceed with its improvement program for the purposes of purchasing, constructing, acquiring, owning, operating, maintaining, repairing, improving and extending a water and sanitary sewer system, a surface water system, and sewage disposal facilities for the District and a drainage system for the drainage of lands within the District, and for paying fees or charges to any regional water authority or similar entity for charges or

contributions lawfully levied on the District, pursuant to the bid of \_\_\_\_\_ (the “Purchaser”), which bid was accepted by said Board after publication of the Official Notice of Sale of District’s bonds and after the taking of public bids therefor, and which bid contained the best terms and the best possible price for said bonds, that there be sold to Purchaser for \_\_\_\_\_% of par, or \$\_\_\_\_\_ (yielding a net effective interest rate of \_\_\_\_\_% per annum), the following described bonds (the “Bonds”):

\$6,950,000 River Plantation Municipal Utility District Unlimited Tax Bonds, Series 2022, dated as of the Date of Delivery of the Bonds, ordered to be issued by a bond order adopted on April 28, 2022, bearing interest as provided in said bond order which is payable on March 1, 2023, and semiannually thereafter on September 1 and March 1 of each year until the Bonds are paid.

At the request of the Purchaser, the Initial Bond shall be registered in the name of CEDE & Co., as nominee for the Depository Trust Company, New York, New York.

The Bonds shall be delivered to the Purchaser upon the payment of said purchase price, subject to the unqualified approving opinion of the Attorney General of Texas and the unqualified approving opinion of Smith, Murdaugh, Little & Bonham, L.L.P., Houston, Texas.

Delivery is to be made directly to said Purchaser at a bank agreeable to both District and Purchaser.

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Passed and adopted, this April 28, 2022.

\_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Secretary





I, the undersigned Secretary of the board of directors of River Plantation Municipal Utility District, hereby certify that the foregoing is true and correct copy of the order dated April 28, 2022, by the board of directors of the District awarding the sale of the District's \$6,950,000 Series 2022 Bonds, and of the minute entry made at said Board's regular meeting on the date showing the adoption of said order, as said order and minutes appear of record in the official minute book of the Board, on file in the District's office.

I further certify that said meeting was open to the public and that notice thereof was posted in compliance with the provisions of Tex. Gov't. Code Ann. §551.001 et seq.

Witness my hand and the seal of the District, this April 28, 2022.

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Secretary



**RIVER PLANTATION MUNICIPAL UTILITY DISTRICT**

Bond Order

The Board of Directors (the “Board”) of River Plantation Municipal Utility District (the “District”) met at its regular meeting place on April 28, 2022, with the following Directors present:

Julie Gilmer, President  
 Timothy Goodman, Vice President  
 Thomas Vandever, Treasurer  
 Mark Robin, Assistant Secretary

and the following directors were absent:

None

when the following business was transacted:

The order set out below (the “Bond Order”) was introduced for consideration of the Board. It was then moved and seconded that said order be adopted; and, after due discussion, said motion carried by the following vote:

Ayes: All directors present

Noes: None

The order thus adopted is as follows:

**ORDER AUTHORIZING ISSUANCE OF \$6,950,000, RIVER PLANTATION MUNICIPAL UTILITY DISTRICT UNLIMITED TAX BONDS, SERIES 2022; PRESCRIBING THE TERMS, PROVISIONS, AND FORM THEREOF; PROVIDING FOR THE PAYMENT THEREOF AND INTEREST THEREON; AWARDING THE SALE OF THE BONDS; APPOINTING PAYING AGENT/REGISTRAR; AND MAKING OTHER PROVISIONS REGARDING SUCH BONDS AND MATTERS INCIDENT THERETO.**

**BE IT ORDERED BY THE BOARD OF DIRECTORS OF RIVER PLANTATION MUNICIPAL UTILITY DISTRICT:**

## ARTICLE I

### FINDINGS AND DETERMINATIONS

Section 1.1: Findings and Determinations. It is hereby officially found and determined that:

(a) River Plantation Municipal Utility District (the “District”), acting by and through its Board of Directors (“Board”), is authorized pursuant to and in accordance with the provisions of Article XVI, Section 59 of the Texas Constitution and the laws of the State of Texas, and Chapters 49 and 54 of the Texas Water Code, as amended, and as authorized at an election held for that purpose on November 2, 2021, to issue its 2022 series of \$6,950,000 of bonds, being the first series out of the \$15,000,000 of bonds authorized at said election, for the purposes of purchasing, constructing, acquiring, owning, operating, maintaining, repairing, improving and extending a water and sanitary sewer system, a surface water system, and sewage disposal facilities for the District and a drainage system for the drainage of lands within the District, and for paying fees or charges to any regional water authority or similar entity for charges or contributions lawfully levied on the District, and to pay all of the related engineering, legal and financial advisory fees in connection therewith, and to pay costs of issuance of the Bonds, and to provide for the payment of principal of and interest on such bonds by the levy and collection of a sufficient ad valorem tax upon all taxable property within the District as authorized by the Constitution and laws of the State of Texas.

(b) The Board has determined that it is in the best interests of the District to issue the Bonds for the purposes of purchasing, constructing, acquiring, owning, operating, maintaining, repairing, improving and extending a water and sanitary sewer system, a surface water system, and sewage disposal facilities for the District and a drainage system for the drainage of lands within the District, and for paying fees or charges to any regional water authority or similar entity for charges or contributions lawfully levied on the District, and to pay all of the related engineering, legal and financial advisory fees in connection therewith, and to pay costs of issuance of the Bonds, and to provide for the payment of principal of and interest on such Bonds by the levy and collection of a sufficient ad valorem tax upon all taxable property within the District as authorized by the Constitution and laws of the State of Texas.

(c) There are presently no outstanding and unpaid bonds of the District.

## ARTICLE II

### DEFINITIONS AND INTERPRETATIONS

Section 2.1: Definitions. As used herein, the following terms shall have the meanings specified, unless the context clearly requires otherwise:

“Attorney General” shall mean the Attorney General of the State of Texas.

“Blanket Issuer Letter of Representations” shall mean the Blanket Issuer Letter of Representations between the District, the Paying Agent/Registrar and DTC.

“Board” shall mean the board of directors of the District.

“Bond Order” or “Order” as used herein and in the Bonds shall mean this Order authorizing the Bonds.

“Bonds” shall mean any or all of the River Plantation Municipal Utility District Unlimited Tax Bonds, Series 2022, authorized and issued pursuant to this Bond Order, including the Initial Bond and the Definitive Bonds, in the aggregate principal amount of \$6,950,000 unless the context clearly indicates otherwise.

“Capital Projects Fund” shall mean the fund so designated in Section 8.3 of this Bond Order.

“Code” shall mean the Internal Revenue Code of 1986, as amended.

“Commission” shall mean the Texas Commission on Environmental Quality, and any successor agency.

“Comptroller” shall mean the Comptroller of Public Accounts of the State of Texas.

“Dated Date” shall mean the date on which the Bonds are delivered to and paid for by the Purchaser, currently anticipated to be May 26, 2022.

“Debt Service Fund” shall mean the fund so designated in Section 8.2 of this Bond Order.

“Definitive Bonds” shall mean the Bonds, other than the Initial Bond, in the form of Exhibit A-1.

“DTC” shall mean the Depository Trust Company, New York, New York, or any successor securities depository.

“DTC Participant” shall mean securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants.

“Fiscal Year” shall mean the District’s fiscal year, which currently is the twelve-month period beginning on October 1 and ending on September 30 of a calendar year, and each such period may be designated with the number of the calendar year in which such period ends.

“General Fund” shall mean the fund so designated in Section 8.1 of this Bond Order.

“Holder” or “Holders” or “Registered Holder” or “Registered Holders” or “Owner” or “Registered Owner” when used with respect to any Bond or the Bonds means the person in whose name such Bond is registered in the Bond Register.

“Initial Bond” shall mean the initially issued bond representing the entire principal amount of the Bonds in the form of Exhibit A and used in accordance with the provisions of this Bond Order.

“Interest Payment Date” when used in connection with any Bond, shall mean March 1 and September 1 of each year, commencing March 1, 2023, and continuing thereafter until the earlier of maturity or redemption.

“Issue Date” or “Date of Delivery” shall mean the date on which the Bonds are delivered to and paid for by the Purchaser.

“Issuer” or “District” when referred to herein, shall mean River Plantation Municipal Utility District.

“Insurer” or “BAM” shall mean Build America Mutual Assurance Company, a New York-domiciled insurance company.

“Municipal Bond Insurance Policy” shall mean the municipal bond insurance policy issued by Build America Mutual Assurance Company insuring the payment when due of the principal of and interest on the Bonds as provided therein.

“Outstanding” when used with reference to the Bonds, shall mean, as of a particular date, all Bonds theretofore and thereupon delivered pursuant to this Order except: (a) any Bond canceled by or on behalf of the District on or before such date; (b) any Bond defeased pursuant to the defeasance provisions of this Order or otherwise defeased as permitted by applicable law; and (c) any Bond in lieu of or in substitution for which a replacement Bond shall have been delivered pursuant to this Order.

“Paying Agent/Registrar” shall mean The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, a national banking association, and its successors in that capacity.

“Person” shall mean any individual, corporation, partnership, joint venture, association, trust, joint stock company, unincorporated organization, government or governmental agency or other legal entity.

“Policy” shall mean the municipal bond insurance policy provided by the Insurer relating to the Bonds.

“Purchaser” shall mean the initial purchaser of the Bonds as identified in Section 3.1 hereof.

“Record Date” shall mean the close of business on the fifteenth (15th) day of the calendar month immediately preceding the applicable Interest Payment Date.

“Register” shall mean the registration books for the Bonds kept by the Paying Agent/Registrar in which are maintained the names and addresses of and the principal amounts registered to each Registered Owner.

“Registered Owner” or “Registered Holder” shall mean the Person or entity in whose name any Bond is registered in the Register.

“Serial Bonds” shall mean any one or more, as the case may be, of the Bonds maturing September 1, \_\_\_\_ through September 1, \_\_\_\_, inclusive.

“System” shall mean the District’s waterworks and sanitary sewer systems owned and operated by the District, together with any additions and extensions thereto and improvements and replacements thereof whenever so constructed or acquired.

“Term Bond” or “Term Bonds” shall mean any one or more, as the case may be, of the Bonds maturing September 1, \_\_\_\_ and September 1, \_\_\_\_.

Section 2.2: Interpretations. All terms defined herein and all pronouns used in this Bond Order shall be deemed to apply equally to singular and plural and to all genders. The titles and headings of the articles and sections of this Bond Order have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof. This Bond Order and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein and to sustain the validity of the Bonds and the validity of the levy of ad valorem taxes to pay the principal of and interest on the Bonds.

### ARTICLE III

#### SALE OF BONDS

Section 3.1: Sale of Bonds. The sale of the Bonds is hereby awarded to \_\_\_\_\_ (“Purchaser”) under the terms contained in the official bid for purchase of the Bonds which bid produced the lowest net effective interest rate to the District and acceptance of which has been determined to be in the District’s best interest.

Section 3.2: Offering Documents. The Board hereby ratifies, authorizes, and approves, in connection with the sale of the Bonds, the preparation and distribution of the final Official Statement, dated April 28, 2022.

Section 3.3: Approval, Registration, and Delivery. The President or Vice President and Secretary or Assistant Secretary are hereby authorized to have control and custody of the Bonds and all necessary records and proceedings pertaining thereto pending their

delivery, and the President or Vice President and Secretary or Assistant Secretary and other officers and employees of the District are hereby authorized and directed to make such certifications, to manually affix the District's seal, and to execute such instruments as may be necessary to accomplish the delivery of the Bonds and the District's obligations under this Order; and to assure the investigation, examination, and approval thereof by the Attorney General and the registration of the Initial Bond by the Comptroller. Upon registration of the Initial Bond, the Comptroller (or a deputy in the office of the Comptroller lawfully designated in writing to act for the Comptroller) shall manually sign the Comptroller's Registration Certificate prescribed herein to be attached or affixed to the Initial Bond and the seal of the Comptroller shall be impressed or printed or lithographed thereon.

## ARTICLE IV

### TERMS OF THE BONDS

Section 4.1: Amount, Purpose, and Authorization. The Bonds shall be issued in fully registered form, in the total aggregate principal amount of Six Million Nine Hundred Fifty Thousand Dollars (\$6,950,000), for the purposes of purchasing, constructing, acquiring, owning, operating, maintaining, repairing, improving and extending a water and sanitary sewer system, a surface water system, and sewage disposal facilities for the District and a drainage system for the drainage of lands within the District, and for paying fees or charges to any regional water authority or similar entity for charges or contributions lawfully levied on the District, and to pay all of the related engineering, legal and financial advisory fees in connection therewith, and to pay costs of issuance of the Bonds, all as authorized by the Constitution and laws of the State of Texas, particularly Chapters 49 and 54, Texas Water Code, as amended, and the Public Security Procedures Act, Tex. Gov't. Code Ann. Chapter 1201 (the "Project").

Section 4.2: Designation, Date, and Interest Payment Dates. Each of the Bonds shall be designated "River Plantation Municipal Utility District Unlimited Tax Bonds, Series 2022". The Bonds shall be numbered serially from R-1 upward, except that the Initial Bond shall be numbered IB-1, and the Initial Bond shall be submitted to the Attorney General for approval and to the Comptroller for registration until cancellation by the Paying Agent/Registrar in accordance with the provisions of this Order. The Bonds shall be dated as of the Date of Delivery, and shall bear interest at the rates set forth in Section 4.3 below, from the later of the Dated Date or the most recent Interest Payment Date to which interest has been paid or duly provided for, calculated on the basis of a 360-day year of twelve (12) thirty (30) day months, payable March 1 and September 1 and of each year, commencing March 1, 2023, until the earlier of maturity or redemption.

Section 4.3: Maturities, Principal Amounts and Interest Rates. The Bonds shall be issued in the principal amounts and bear interest at the rates set forth in the following schedule, and may be transferred and exchanged as set out in this Order. The Bonds shall mature on September 1 in each of the years and in the amounts set out in such schedule. Bonds delivered in transfer of or in exchange for other Bonds shall be numbered in order of their authentication by the Paying Agent/Registrar, shall be in the denomination of \$5,000 or integral multiples thereof, and shall mature on the same date and bear interest at the same rate as the

Bond or Bonds in lieu of which they are delivered. The Bonds are subject to redemption prior to maturity as further described in Article V herein.

Series 2022 Serial Bonds

<u>Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
September 1, 2023	\$45,000	%
September 1, 2024	\$125,000	%
September 1, 2025	\$130,000	%
September 1, 2026	\$140,000	%
September 1, 2027	\$145,000	%
September 1, 2028	\$150,000	%
September 1, 2029	\$160,000	
September 1, 2030	\$165,000	
September 1, 2031	\$170,000	
September 1, 2032	\$180,000	
September 1, 2033	\$185,000	
September 1, 2034	\$190,000	
September 1, 2035	\$195,000	
September 1, 2036	\$205,000	
September 1, 2037	\$215,000	
September 1, 2038	\$225,000	
September 1, 2039	\$230,000	
September 1, 2040	\$240,000	
September 1, 2041	\$250,000	
September 1, 2042	\$265,000	
September 1, 2043	\$270,000	
September 1, 2044	\$280,000	
September 1, 2045	\$290,000	
September 1, 2046	\$305,000	
September 1, 2047	\$315,000	
September 1, 2048	\$330,000	
September 1, 2049	\$340,000	
September 1, 2050	\$355,000	
September 1, 2051	\$365,000	
September 1, 2052	\$490,000	

Series 2022 Term Bonds

<u>Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
September 1, 2033	\$195,000	%
September 1, 2042	\$505,000	%

Section 4.4: Manner of Payment. Form of Initial Bond and Definitive Bonds, Execution, and Authentication. Principal of the Bonds at maturity or on a redemption date shall be payable in lawful money of the United States of America without deduction for paying agent services at the principal payment office of the Paying Agent/Registrar. The Bonds shall be dated as of the Date of Delivery, and shall bear interest from such Dated Date, and such interest shall



be payable semiannually on March 1 and September 1 of each year, commencing March 1, 2023 until the principal sum shall have been paid. The Bonds (other than the Initial Bond in the form of Exhibit A) shall be substantially in the form set forth in Exhibit A-1 to this Order, with such appropriate variations, omissions and insertions as are customary or as are permitted or required by this Order and such letters, numbers or other marks of identification as may be consistent herewith and determined by those officials of the Board executing the Bonds, as evidenced by their signing of the Initial Bond. Any portion of the text of the Bonds may be printed on the back of such Bond with an appropriate reference placed on the front of the Bond. There may be printed on the Bonds any approving legal opinion and any CUSIP or other identifying number.

Notwithstanding anything to the contrary contained in this Order, the Initial Bond shall be dated May 26, 2022, shall be registered to the Purchaser of the Bonds described in Section 3.1 of this Order, or such other name, entity or person as the Purchaser designates, and the Initial Bond shall be in typed or printed form signed manually by the President and Secretary or Assistant Secretary of the District and manually sealed, submitted to the Attorney General for approval and thereafter registered by the Comptroller by manual signature on the Comptroller's Registration Certificate. On the Date of Delivery, the Initial Bond shall be delivered to the Purchaser or its designee. Upon payment for the Initial Bond, the Paying Agent/Registrar shall cancel the Initial Bond and deliver the Bonds to the DTC in accordance with Article XII of this Order. The Initial Bond may be exchanged for registered Definitive Bonds as described herein and in accordance with the Public Security Procedures Act, Tex. Gov't. Code Ann. §1201.

In the event the Purchaser instructs the Paying Agent/Registrar in writing five (5) business days prior to the Issue Date to exchange, authenticate, deliver and register Definitive Bonds to those persons named by the Purchaser, including their addresses, the maturities, interest rates and denominations, then the Initial Bond will be cancelled, and Definitive Bonds will be issued, registered and delivered in accordance with the instructions of the Purchaser on the Issue Date. The Paying Agent/Registrar need not accept instructions regarding exchange of the Initial Bond less than five (5) business days before the Issue Date. If such instructions are not timely received, then cancellation of the Initial Bond and delivery of Definitive Bonds may be delayed until the fifth (5th) business day following receipt by the Paying Agent/Registrar of such instructions.

No Bond shall be entitled to any right or benefit under this Bond Order, or be valid or obligatory for any purpose, unless there appears on such Bond (1) with respect to the Initial Bond only, a certificate of registration substantially in the form of Exhibit A executed by the Comptroller of Public Accounts of the State of Texas or duly authorized deputy by manual signature, and (2) with respect to the Definitive Bonds, a certificate of authentication substantially in the form thereof set forth in Exhibit A-1, executed by the manual signature of the Paying Agent/Registrar. Such certificate of registration and/or authentication, as the case may be, upon any Bond shall be conclusive evidence, and the only evidence, that such Bond has been duly certified and/or authenticated, registered and delivered.

Section 4.5: Ownership. The District, the Paying Agent/Registrar, and any other Person may treat the Registered Owner in whose name any Bond is registered as the absolute owner of such Bond for the purpose of making and receiving payment of the principal

thereof and interest thereon and for all other purposes, whether or not such Bond is overdue, and neither the District nor the Paying Agent/Registrar shall be bound by any notice or knowledge to the contrary. All payments made to the Person deemed to be the Registered Owner of any Bond in accordance with this Section shall be valid and effective and shall discharge the liability of the District and the Paying Agent/Registrar upon such Bond to the extent of the sums paid.

Section 4.6: Registration, Transfer, and Exchange. So long as any Bond remains Outstanding, the Paying Agent/Registrar shall keep the Register at the corporate trust office/payment office of the Paying Agent/Registrar, currently in Dallas, Texas and, subject to such reasonable regulations as it may prescribe, the Paying Agent/Registrar shall provide for the registration and transfer of the Bonds in accordance with the terms of this Order.

Each Bond shall be transferable only upon the presentation and surrender thereof at the corporate trust office of the Paying Agent/Registrar, accompanied by an assignment duly executed by the Registered Owner or the Registered Owner's authorized representative in a form satisfactory to the Paying Agent/Registrar. Upon due presentation of any Bond for transfer, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor, within seventy-two (72) hours after such presentation, a new Bond or Bonds, registered in the name of the transferee or transferees, in authorized denominations and of the same maturity and aggregate principal amount and bearing interest at the same rate as the Bond or Bonds so presented.

All Bonds shall be exchangeable upon the presentation and surrender thereof at the corporate trust office of the Paying Agent/Registrar, currently in Dallas, Texas for a Bond or Bonds of the same maturity and interest rate and in any authorized denomination, in an aggregate principal amount equal to the unpaid principal amount of the Bond or Bonds presented for exchange. The Paying Agent/Registrar shall be and is hereby authorized to authenticate and deliver exchange Bonds in accordance with the provisions of this Section 4.6. Each Bond delivered by the Paying Agent/Registrar in accordance with this Section 4.6 shall be entitled to the benefits and security of this Order to the same extent as the Bond or Bonds in lieu of which such Bond is delivered.

The District or the Paying Agent/Registrar may require the Registered Owner of any Bond to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with the transfer or exchange of such Bond. Any fee or charge of the Paying Agent/Registrar for such transfer or exchange shall be paid by the District.

Neither the District nor the Paying Agent/Registrar shall be required to issue, transfer or exchange any Bond during a period beginning at the opening of business on a Record Date and ending at the close of business on the next succeeding Interest Payment Date.

Neither the District nor the Paying Agent/Registrar shall be required to (1) issue, transfer or exchange any Bond selected for redemption during a period beginning at the opening of business fifteen (15) calendar days before the date of the first mailing of a notice of redemption of Bonds hereunder and ending at the close of business on the day of such mailing, or (2) thereafter to transfer or exchange any Bond so selected for redemption in whole or in part where such redemption is scheduled to occur within thirty (30) calendar days.

Section 4.7: Payment of Principal and Interest. The principal or redemption price of the Bonds shall be deposited in trust by the District with the Paying Agent/Registrar who shall pay out of same the principal due to the Registered Owners of the Bonds at the maturity thereof, upon surrender of such Bonds to the Paying Agent/Registrar for cancellation.

Interest on the Bonds shall be timely deposited in trust with the Paying Agent/Registrar by the District, and such interest shall be paid by check, dated as of the Interest Payment Date, and mailed on the Interest Payment Date first class postage prepaid, or paid by other customary means of transfer of funds, including wire transfer, at the risk and expense of the Registered Owners, to the Registered Owners of the Bonds shown on the records of the Paying Agent/Registrar on the Record Date.

Section 4.8: Replacement Bonds. Upon the presentation and surrender to the Paying Agent/Registrar of a damaged or mutilated Bond, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor a replacement Bond of like maturity, interest rate, and principal amount, bearing a number not contemporaneously outstanding. The District or the Paying Agent/Registrar may require the Registered Owner of such Bond to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection therewith and any other expenses connected therewith, including the fees and expenses of the Paying Agent/Registrar and the District.

If any Bond is lost, destroyed or wrongfully taken, the District, pursuant to the applicable laws of the State of Texas and orders of the District, and in the absence of notice or knowledge that such Bond has been acquired by a bona fide purchaser, shall execute, and the Paying Agent/Registrar shall authenticate and deliver a replacement Bond of like maturity, interest rate, and principal amount, bearing a number not contemporaneously outstanding, provided that the Registered Owner thereof shall have:

- (a) furnished to the District and the Paying Agent/Registrar satisfactory evidence of the ownership of and the circumstances of the loss, destruction or theft of such Bond;
- (b) furnished such security or indemnity as may be required by the Paying Agent/Registrar and the District to save and hold them harmless;
- (c) paid all expenses and charges in connection therewith, including, but not limited to, printing costs, legal fees, fees of the Paying Agent/Registrar, and any tax or other governmental charge that may be imposed; and
- (d) met any other reasonable requirements of the District and the Paying Agent/Registrar.

If, after the delivery of such replacement Bond, a bona fide purchaser of the original Bond in lieu of which such replacement Bond was issued presents for payment such original Bond, the District and the Paying Agent/Registrar shall be entitled to recover such replacement Bond from the Person to whom it was delivered or any Person taking therefrom,

except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost or expense incurred by the District or the Paying Agent/Registrar in connection therewith.

If any such mutilated, lost, destroyed or wrongfully taken Bond has become or is about to become due and payable, the District in its discretion may, instead of issuing a replacement Bond, authorize the Paying Agent/Registrar to pay such Bond.

Each replacement Bond delivered in accordance with this Section 4.8 shall be entitled to the benefits and security of this Order to the same extent as the Bond or Bonds in lieu of which such replacement Bond is delivered.

Section 4.9: Cancellation. All Bonds paid or redeemed in accordance with this Order, and all Bonds in lieu of which exchange Bonds or replacement Bonds are authenticated and delivered in accordance herewith, shall be canceled and destroyed upon the making of proper records regarding such payment or redemption. The Paying Agent/Registrar shall periodically furnish the District with certificates of destruction of such Bonds.

ARTICLE V

REDEMPTION OF BONDS BEFORE MATURITY

Section 5.1: Optional Redemption. The District reserves the right, at its option, to redeem the Bonds maturing on September 1, 2029, and thereafter, prior to maturity, in whole or in part, on September 1, 2028, or on any date thereafter, at a price equal to the principal amount of the Bonds called for redemption plus accrued interest from the later of the Dated Date or the most recent Interest Payment Date on which interest has been paid or duly provided for to the date fixed for redemption.

The exercise by the District of its option to redeem any Bonds shall be entered in the minutes of the Board of Directors of the District. The District shall, at least forty-five (45) calendar days prior to the redemption date (unless a shorter notice shall be satisfactory to the Paying Agent/Registrar), notify the Paying Agent/Registrar of such redemption date and of the principal amount of Bonds of each stated maturity to be redeemed, in multiples of \$5,000.

Section 5.2: Mandatory Redemption. The Term Bonds which mature September 1, 2033, September 1, 2042, September 1, 2046 and September 1, 2051 are subject to mandatory redemption (“Mandatory Redemption”) at a price equal to 100% of the principal amount thereof plus accrued interest to the redemption dates from amounts which are required to be deposited in the District’s Debt Service Fund as defined in this Order in amounts sufficient to redeem the Bond on September 1 in the years and principal amounts shown on the following schedule:

Series 2022 Term Bonds

<u>Redemption Date</u>	<u>Principal Amount</u>
September 1, 2029	\$35,000
September 1, 2030	\$35,000

September 1, 2031	\$40,000
September 1, 2032	\$40,000
September 1, 2033 (maturity)	\$45,000

While the Bonds are in book-entry only form pursuant to Article XII herein, the Term Bonds will be selected for Mandatory Redemption by the DTC in accordance with its procedures. If the book-entry only system is discontinued, the Term Bonds will be selected for Mandatory Redemption by lot or other customary random method.

The principal amount of the Term Bonds of a given maturity required to be redeemed pursuant to the operation of such Mandatory Redemption provisions shall be reduced, at the option of the District, by the principal amount of the Term Bonds of such maturity which, at least fifty (50) days prior to the date of such Mandatory Redemption, (1) shall have been acquired by the District at a price not exceeding the principal amount of such Term Bond plus accrued interest to the date of purchase thereof, and delivered to the Registrar for cancellation, (2) shall have been purchased and cancelled by the Registrar at the request of the District at a price not exceeding the principal amount of such Term Bonds plus accrued interest to the date of purchase, or (3) shall have been redeemed pursuant to the optional redemption provisions and not thereto credited against a Mandatory Redemption requirement.

Section 5.3: Selection of Bonds for Optional Redemption. While the Bonds are in book-entry form pursuant to Article XII herein, if less than all the Bonds of a particular maturity are to be redeemed, the Bonds will be selected for redemption by the DTC in accordance with its procedures. If less than all of the entire outstanding principal amount of the Term Bonds, if any, is to be redeemed, the District will notify the Paying Agent/Registrar of the reductions in the remaining mandatory redemption amounts to result from the optional redemption. If the book-entry only system is discontinued, and if less than all of the Bonds of a particular maturity are to be redeemed, the Paying Agent/Registrar, on behalf of the District, shall select for redemption, by lot or other customary random method, any portion of the principal amount of the Bonds within any given maturity whose principal amount is greater than \$5,000 and whose proration would be necessitated by the nature of the redemption call by the District.

For purposes of this Order, unless the context otherwise requires, all provisions relating to the redemption of Bonds shall relate, in the case of any Bond redeemed or to be redeemed only in part, to the portion of the principal of such Bond which has been or is to be redeemed.

Section 5.4: Notice. Notice of redemption shall be sent by United States mail, first class, postage prepaid, by the Paying Agent/Registrar in the name of and at the expense of the District, not less than thirty (30) calendar days prior to the redemption date for the Bonds, to each Registered Owner of the Bonds to be redeemed. Such notice shall be sent to each Registered Owner of a Bond to be redeemed at the address appearing on the Register of the Paying Agent/Registrar at the close of business on the business day next preceding the date of mailing such notice.

All notices of redemption shall include a statement (1) as to the redemption date, (2) as to the redemption price, (3) as to the principal amount of the Bonds to be redeemed and, if less than all Bonds then Outstanding are to be redeemed, an identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed, (4) to the effect that, on the redemption date, the redemption price of each of the Bonds to be redeemed will become due and payable and that interest thereon shall cease to accrue from and after such date, and (5) to the effect that such Bonds are to be surrendered for payment of the redemption price at the office of the Paying Agent/Registrar, and the address of such office.

Section 5.5: Payment. Notice of redemption having been given as aforesaid, the Bonds to be redeemed shall, on the redemption date, become due and payable at the redemption price, and from and after such date (unless the District shall default in the payment of the redemption price) such Bonds shall cease to bear interest. Upon the surrender of such Bonds for redemption in accordance with such notice, such Bonds shall be paid by the Paying Agent/Registrar at the redemption price out of money supplied by the District.

If any Bond called for redemption shall not be so paid on the date set for redemption by reason of the failure of the District to provide collected funds, the same shall continue to bear interest from the redemption date at the rate borne by such Bonds until same is paid by the District.

Section 5.6: Partial Redemption. Any Bond which is to be redeemed only in part shall be surrendered at the office of the Paying Agent/Registrar (if payment is to be made to other than the Registered Owner with due endorsement by, or a written instrument of transfer in form satisfactory to the Paying Agent/Registrar duly executed by the Registered Owner or the Registered Owner's attorney duly authorized in writing), and the District shall execute and the Paying Agent/Registrar shall register and deliver to the Registered Owner of such Bond, without service charge to the Registered Owner, a new Bond or Bonds of the same stated maturity and of any authorized denomination or denominations as requested by such Registered Owner in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bond so surrendered.

## ARTICLE VI

### SECURITY FOR THE BONDS: TAX LEVY

Section 6.1: Tax Levy and Pledge. During each year while any of the Bonds or interest thereon are outstanding, the District shall compute and ascertain a rate and amount of ad valorem taxes which will be sufficient to raise and produce the moneys required to provide for the payment of the interest on the Bonds as such interest comes due and to provide and maintain a sinking fund adequate to pay the principal of the Bonds as such principal matures, and such tax shall be based on the certified tax rolls of the District at the time of the levy, with full allowance being made for tax delinquencies and the cost of tax collection. For the current year there shall hereby be levied, and for each year thereafter while the Bonds or any part of the principal of and interest thereon are outstanding and unpaid, there shall be levied, assessed and collected in due time, form and manner, a continuing, direct annual ad valorem tax upon all taxable property in

the District in the rate and amount as aforesaid, and the proceeds of such tax shall be appropriated and applied to the payment of principal of and interest on the Bonds.

Section 6.2: Additional Bonds. The District expressly reserves and shall hereafter have the right to issue in one or more installments, the \$8,050,000 principal amount of unlimited tax bonds authorized but unissued pursuant to the November 2, 2021 election for the purpose of completing, repairing, improving, extending, enlarging, or replacing the System and the drainage system, the \$325,943 in principal amount of unlimited tax bonds for park and recreational facilities authorized but unissued pursuant to the May 1, 2021 election, and any unlimited tax bonds or combination unlimited tax and revenue bonds as may hereafter be authorized at subsequent elections. Furthermore, the District expressly reserves and shall hereafter have the right to issue in one or more installments the following:

1. **Revenue Bonds.** The District expressly reserves the right to issue bonds payable solely from net revenues of the District's facilities for the purposes of purchasing, constructing, acquiring, owning, operating, maintaining, repairing, improving and extending a water and sanitary sewer system, a surface water system, and sewage disposal facilities for the District and a drainage system for the drainage of lands within the District, and for paying fees or charges to any regional water authority or similar entity for charges or contributions lawfully levied on the District, and to pay all of the related engineering, legal and financial advisory fees in connection therewith, and such bonds may be payable from and equally secured by a lien on and pledge of said net revenues on a parity with the pledge on any previously issued bonds secured by net revenues to the extent net revenues are used to pay the principal of and interest on such bonds.

2. **Inferior Lien Bonds.** The District also reserves the right to issue inferior lien bonds and to pledge the net revenues of the District's facilities to the payment thereof, such pledge to be subordinate in all respects to the lien of the Bonds and any previously issued or subsequently issued bonds which are on a parity with the Bonds.

3. **Special Project Bonds.** The District further reserves the right to issue special project bonds for the purchase, construction, improvement, extension, replacement, enlargement or repair of water, sewer and/or drainage facilities necessary under a contract or contracts with persons, corporations, municipal corporations, political subdivisions or other entities, such special project bonds to be payable from and secured by the proceeds of such contract or contracts.

4. **Refunding Bonds.** The District further reserves the right to issue unlimited tax or waterworks and sewer system combination unlimited tax and revenue refunding bonds, to refund any of the Bonds, or any additional bonds subject to prior redemption, or any bonds the holders of which have consented to have refunded. The refunding bonds so issued shall enjoy complete equality of lien with the remaining bonds not refunded, if any such bonds remain, and the refunding bonds so issued shall enjoy the priority of lien enjoyed by the bonds being refunded.

The District further reserves the right to refund all such bonds.

## ARTICLE VII

THE PAYING AGENT/REGISTRAR

Section 7.1: Paying Agent/Registrar Agreement. At all times while any of the Bonds are outstanding, the District shall maintain and provide for a Paying Agent/Registrar. The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, is hereby appointed, and the District has entered into an agreement with The Bank of New York Mellon Trust Company, N.A., for the services of Paying Agent/Registrar for the Bonds. The Paying Agent/Registrar shall be completely responsible for the payment of principal of and interest on the Bonds upon receipt by the Paying Agent/Registrar of sufficient moneys to pay the principal of and interest on the Bonds from the District, and for the replacement, transfer and exchange of the Bonds under the terms and conditions set forth herein. The Paying Agent/Registrar and any successor Paying Agent/Registrar, by undertaking the performance of the duties of the Paying Agent/Registrar hereunder, and in consideration of the payment of any fees pursuant to the terms of any contract between the Paying Agent/Registrar and the District and/or the deposits of money pursuant to this Order, shall be deemed to accept and agree to abide by the terms of this Order.

Section 7.2: Trust Funds. All moneys transferred to the Paying Agent/Registrar in its capacity as Paying Agent/Registrar for the Bonds under this Order (except any sums representing Paying Agent/Registrar's fees) shall be held in trust for the benefit of the District, shall be the property of the District, and shall be disbursed in accordance with this Order.

Section 7.3: Bonds Presented. Subject to the provisions of Section 7.4 of this Order, all matured Bonds presented to the Paying Agent/Registrar for payment shall be paid without the necessity of further instructions from the District. Such Bonds shall be cancelled as provided herein.

Section 7.4: Unclaimed Funds Held by the Paying Agent/Registrar. Funds held by the Paying Agent/Registrar that represent principal of or interest on the Bonds remaining unclaimed by the Registered Owner after the expiration of three (3) years from the date such funds have become due and payable (a) shall be reported and disposed of by the Paying Agent/Registrar in accordance with the provisions of Title 6 of the Texas Property Code, as amended, to the extent such provisions are applicable to such funds, or (b) to the extent such provisions do not apply to the funds, such funds shall be paid by the Paying Agent/Registrar to the District upon receipt by the Paying Agent/Registrar of a written request therefor from the District.

The Paying Agent/Registrar shall have no liability to the Registered Owners of the Bonds by virtue of actions taken in compliance with this Section 7.4.

Section 7.5: Paying Agent/Registrar May Own Bonds. The Paying Agent/Registrar in its corporate or any other capacity, may become the Registered Owner or pledgee of Bonds with the same rights it would have if it were not the Paying Agent/Registrar.

Section 7.6: Successor Paying Agent/Registrars. The District retains the right to replace the Paying Agent/Registrar. Further, if the Paying Agent/Registrar or its successor



becomes unable for any reason to act as Paying Agent/Registrar hereunder, the District covenants that it will appoint a qualified bank to perform the duties of Paying Agent/Registrar hereunder. Any successor Paying Agent/Registrar shall be either a national or state banking institution and a corporation organized and doing business under the laws of the United States of America or any state thereof, which is authorized under such laws to exercise trust powers and is subject to supervision or examination by federal or state authority. Upon any change in Paying Agent/Registrar, the District agrees to cause written notice of such change to be sent to each Registered Owner by United States mail, first class, postage prepaid, which notice shall give the address of the successor Paying Agent/Registrar.

## ARTICLE VIII

### FUNDS AND ACCOUNTS, APPLICATION OF PROCEEDS

Section 8.1: General Fund. The District hereby confirms the prior establishment of the District's General Fund. The District shall deposit as collected all revenues derived from the operation of the System into the District's General Fund, which fund shall be kept separate and apart from all other funds and accounts of the District.

Section 8.2: Debt Service Fund. The District hereby establishes its Debt Service Fund. From the proceeds of the Bonds, the District shall deposit to the Debt Service Fund accrued interest on the Bonds from the Dated Date to the date of delivery and twelve (12) months of capitalized interest. From the levy of District taxes pursuant to Section 6.1 hereof there shall be deposited to the Debt Service Fund all tax revenue pledged for repayment of the Bonds after allowance for delinquencies and cost of collection. Moneys in the Debt Service Fund shall be transferred to the Paying Agent/Registrar prior to any interest and/or principal payment date in an amount sufficient to pay the interest on and principal of the Bonds and Paying Agent/Registrar fees, if due.

Section 8.3: Capital Projects Fund. The District hereby establishes its Capital Projects Fund. All proceeds of the Bonds not deposited to the Debt Service Fund shall be deposited to the Capital Projects Fund for the purposes of purchasing, constructing, acquiring, owning, operating, maintaining, repairing, improving and extending a water and sanitary sewer system, a surface water system, and sewage disposal facilities for the District and a drainage system for the drainage of lands within the District, and for paying fees or charges to any regional water authority or similar entity for charges or contributions lawfully levied on the District, and to pay all of the related engineering, legal and financial advisory fees in connection therewith, and paying all related engineering, legal, financial advisory and related expenses as authorized by law and the rules of the Commission, and paying the costs of issuance of the Bonds. Any Bond proceeds remaining after completing projects and paying related costs as approved by the Commission shall be considered surplus bond proceeds and shall be expended only in accordance with the rules of the Commission and will be used only for purposes which are consistent in accordance with the purposes described in the November 2, 2021 bond proposition for so long as the Bonds are outstanding.

## ARTICLE IX

TAX EXEMPTION

Section 9.1: Tax Exemption. The District covenants that it will make such use of the proceeds of the Bonds, regulate investments of proceeds thereof, and take such other and further actions as may be required by Sections 103 and 141-150 of the Internal Revenue Code of 1986, as amended (the “Code”), and all applicable temporary, proposed, and final regulations and procedures promulgated thereunder, to the extent applicable to the Code (the “Regulations”), necessary to assure that the interest on the Bonds is excludable from gross income for federal income tax purposes. Without limiting the generality of the foregoing covenant, the District hereby covenants as follows:

(a) to take any action to insure that no more than ten (10) percent of the net proceeds of the Bonds are used for any “private business use,” as defined in section 141(b)(6) of the Code or, if more than ten (10) percent of the proceeds are so used, that amount, whether or not received by the District, with respect to such private business use, does not, under the terms of this Bond Order, directly or indirectly, secure or provide for the payment of more than ten (10) percent of the debt service on the Bonds, in contravention of section 141(b)(2) of the Code;

(b) to take any action to insure that in the event that the “private business use” described in subsection (a) hereof exceeds five (5) percent of the proceeds of the Bonds then the amount in excess of five (5) percent is used for a “private business use” which is “related” and not “disproportionate,” within the meaning of section 141(b)(3) of the Code, to the governmental use;

(c) to take any action to insure that no amount which is greater than the lesser of (i) \$5,000,000, or (ii) five (5) percent of the net proceeds of the Bonds is directly or indirectly used to finance loans to persons, other than governmental units, in contravention of section 141(c) of the Code;

(d) to refrain from taking any action which would otherwise result in the Bonds being treated as “private activity bonds” within the meaning of section 141(b) of the Code;

(e) to otherwise restrict the use of the proceeds of the Bonds so that the Bonds do not contravene the requirements of Section 148 of the Code relating to arbitrage;

(f) to refrain from taking any action that would result in the Bonds being “federally guaranteed” obligations for purposes of Section 149(b) of the Code;

(g) to take all necessary steps to comply with the requirement that excess arbitrage profits earned on the investment of the “gross proceeds” of the Bonds (within the meaning of Section 148(f)(6)(B) of the Code), if any, be rebated to the federal government, and to maintain such records as will enable the District to fulfill its responsibilities under this section and Section 148 of the Code;

(h) to timely file with the Secretary of the Treasury of the United States the information required by Section 149(e) of the Code with respect to the Bonds on such form and in such place as such Secretary may prescribe;

(i) to refrain from using any portion of the proceeds of the Bonds, directly or indirectly, to acquire or to replace funds which were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) which produces a materially higher yield over the term of the Bonds, other than investment property acquired with:

(1) proceeds of the Bonds invested for a reasonable temporary period of 3 years or less or, in the case of a refunding bond, for a period of 30 days or less until such proceeds are needed for the purpose for which the Bonds are issued,

(2) amounts invested in a bona fide debt service fund, within the meaning of section 1.148-1(b) of the Treasury Regulations, and

(3) amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed 10 percent of the stated principal amount (or, in the case of a discount, the issue price) of the Bonds;

(j) to otherwise restrict the use of the proceeds of the Bonds or amounts treated as proceeds of the Bonds, as may be necessary, so that the Bonds do not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage), section 149(g) of the Code (relating to hedge bonds), and, to the extent applicable, section 149(d) of the Code (relating to advance refundings).

All officers, employees and agents of the District are authorized and directed to provide certifications of facts and estimates that are material to the reasonable expectations of the District regarding the foregoing as of the date the Bonds are delivered. In complying with the foregoing covenants, the District may rely from time to time upon an opinion issued by nationally recognized bond counsel to the effect that any action by the District in reliance upon any interpretation of the Code or Regulations contained in such opinion will not cause interest on the Bonds to be includable in gross income for federal income tax purposes under existing law.

Section 9.2: Qualified Tax-Exempt Obligations. The District hereby designates the Bonds as “qualified tax-exempt obligations” for the purpose of Section 265(b) of the Code. In connection therewith, the District represents (i) that the aggregate including the Bonds, which have been designated “qualified tax-exempt obligations” under Section 265(b)(3) of the Code does not exceed \$10,000,000 and (ii) that the reasonably anticipated amount of tax-exempt obligations which will be issued by the District during calendar year 2022, including the Bonds, will not exceed \$10,000,000.

Section 9.3: Allocation of, and Limitation on, Expenditures for the Project. The District covenants to account for the expenditure of sale proceeds and investment earnings to be used for the purposes described in Section 4.1 of this Order (the “Project”) on its books and

records by allocating proceeds to expenditures within eighteen (18) months of the later of the date that (1) the expenditure is made, or (2) the Project is completed. The foregoing notwithstanding, the District shall not expend sale proceeds or investment earnings thereon more than sixty (60) days after the earlier of (1) the fifth (5th) anniversary of the delivery of the Bonds, or (2) the date the Bonds are retired, unless the District obtains an opinion of nationally-recognized bond counsel that such expenditure will not adversely affect the tax-exempt status of the Bonds. For purposes hereof, the District shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

Section 9.4: Disposition of Project. The District covenants that the property financed with the proceeds of the Bonds will not be sold or otherwise disposed in a transaction resulting in the receipt by the District of cash or other compensation, unless the District obtains an opinion of nationally-recognized bond counsel that such sale or other disposition will not adversely affect the tax-exempt status of the Bonds. For purposes of the foregoing, the portion of the property comprising personal property and disposed in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes hereof, the District shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

Section 9.5: Reimbursement. This Order is intended to satisfy the official intent requirements set forth in section 1.150-2 of the Treasury Regulations.

Section 9.6: Continuing Compliance. It is the understanding of the District that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated which modify or expand provisions of the Code, as applicable to the Bonds, the District will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally-recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Bonds under Section 103 of the Code. In the event that regulations or rulings are hereafter promulgated which impose additional requirements which are applicable to the Bonds, the District agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally-recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Bonds under Section 103 of the Code. In furtherance of such intention, the District hereby authorizes and directs the President or Vice President of the Board of Directors of the District to execute any documents, certificates or reports required by the Code and to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the District, which may be permitted by the Code as are consistent with the purpose for the issuance of the Bonds.

Section 9.7: Written Procedures. Unless superseded by another action of the District, to ensure compliance with the covenants contained herein regarding private business use, remedial actions, arbitrage and rebate, the District hereby adopts and establishes the instructions attached hereto and incorporated by reference herein as Exhibit "B" as the District's written procedures.

## ARTICLE X

### INSURANCE, AUDITS AND REPORTING

Section 10.1: Maintenance and Insurance. The District covenants and agrees that while the Bonds remain Outstanding, it will maintain and operate the System and maintain casualty loss and other insurance on the System of a kind and in such amounts customarily carried on similar systems by municipal utility districts in the State of Texas; that it will faithfully and punctually perform all duties with reference to the System required by the Constitution and laws of the State of Texas.

The District specifically covenants that the System shall be maintained in good condition and operated in an efficient manner at a reasonable cost. So long as any of the Bonds are outstanding, the District covenants to maintain insurance on such parts of the System as are usually insured by municipal utility districts and political subdivisions in Texas operating like properties in similar locations under the same circumstances with a responsible insurance company or companies against risks, accidents, or casualties against which and to the extent insurance is usually carried by such municipal corporations and political subdivisions; provided, however, that at any time while any contractor engaged in construction work shall be fully responsible therefor, the District shall not be required to carry such insurance.

In the event of any loss or damage, the District covenants that it will reconstruct or repair the destroyed or damaged portion of the System and will apply the proceeds of the insurance policies covering such loss or damage solely for that purpose. The District covenants that it will begin such reconstruction or repair promptly after such loss or damage shall have occurred and will continue and properly complete the same as expeditiously as possible and will pay, or cause to be paid, all costs and expenses in connection therewith out of the insurance proceeds so that the same shall be completed and the property be free and clear of all mechanics' and other liens or claims.

Section 10.2: Books, Records, Audits, and Reporting. The District further covenants and agrees that so long as any of the Bonds or any interest thereon remains Outstanding and unpaid, it will keep and maintain separate and complete records and accounts pertaining to the operations of the System in which complete and correct entries shall be made of all transactions relating thereto, as provided by applicable law. The District further agrees that following the close of each Fiscal Year, it will cause an audit of such books and accounts to be made by an independent firm of Certified Public Accountants, as required by law.

## ARTICLE XI

### CONTINUING DISCLOSURE UNDERTAKING

Section 11.1: Definitions. As used in this Article, the following terms have the meanings ascribed below:

“EMMA” means the Electronic Municipal Market Access system of the Municipal Securities Rule Making Board.

“MSRB” means the Municipal Securities Rulemaking Board.

“Rule” means SEC Rule 15c2-12, as amended from time to time.

“SEC” means the United States Securities and Exchange Commission.

Section 11.2: Annual Reports. The District shall provide at least annually to the MSRB through EMMA or such other method approved by the SEC, within six months after the end of each fiscal year ending in or after 2022, financial information and operating data with respect to the District of the general type included in the final Official Statement authorized by this Bond Order, being the information described in this Article XI. Any financial statements so to be provided shall be (1) prepared in accordance with the accounting principles described in this Article XI and (2) audited, if the District commissions an audit of such statements and the audit is complete within the period during which they must be provided. If audited financial statements are not so provided, then the District shall provide audited financial statements for the applicable fiscal year to the MSRB, when and if audited financial statements become available.

If the District changes its fiscal year, it will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the District otherwise would be required to provide financial information and operating data pursuant to this Section.

The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any publicly available document available on the MSRB website or filed with the SEC as permitted by SEC Rule 15c2-12. Any filing made hereunder may be made solely by transmitting such filing to the MSRB in electronic format as prescribed by MSRB, currently, to [www.emma.msrb.org](http://www.emma.msrb.org) and shall be accompanied by identifying information as prescribed by the MSRB.

Section 11.3: Event Notices. The District shall notify the MSRB, within 10 business days of occurrence of the event, of any of the following events with respect to the Bonds:

1. Principal and interest payment delinquencies;
2. Unscheduled draws on debt service reserves reflecting financial difficulties;
3. Unscheduled draws on credit enhancements reflecting financial difficulties;
4. Substitution of credit or liquidity providers, or their failure to perform;
5. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
6. Defeasances;
7. Rating changes;

8. Tender offers;
9. Bankruptcy, insolvency, receivership or similar proceeding of the District;
10. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the District, any of which reflect financial difficulties.

Section 11.4: Material Event Notices. The District shall notify the MSRB, within 10 business days of occurrence of the event, of any of the following events with respect to the Bonds, if such event is material within the meaning of federal securities laws:

1. Non-payment related defaults;
2. Modification to rights of holders of the Bonds;
3. Bond calls;
4. Release, substitution or sale of property securing repayment of the Bonds;
5. The consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;
6. Appointment of a successor or additional trustee or the change of the name of a trustee; and
7. Incurrence of a financial obligation of the District or agreement to covenants, events of default, remedies, priority rights, or other similar terms of financial obligation of the District, any of which affect security holders.

The District shall notify the MSRB, in a timely manner, of any failure by the District to provide financial information or operating data in accordance with this Article by the time required by such Section. Any filing under this Section/Article may be made solely by transmitting such filing to the MSRB in electronic format as prescribed by MSRB, currently to [www.emma.msrb.org](http://www.emma.msrb.org) and shall be accompanied by identifying information as prescribed by the MSRB.

Section 11.5: Limitations, Disclaimers and Amendments. The District shall be obligated to observe and perform the covenants specified in this Article for so long as, but only for so long as, the District remains an “obligated person” with respect to the Bonds within the meaning of the Rule, except that the District in any event will give the notice required by this Article of any Bond calls and defeasances that cause the District to be no longer such an “obligated person.”

The provisions of this Article are for the sole benefit of the Registered Owners and beneficial owners of the Bonds, and nothing in this Article, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The District undertakes to provide only the financial information, operating data, financial

statements, and notices which it has expressly agreed to provide pursuant to this Article and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the District's financial results, condition, or prospects and does not hereby undertake to update any information provided in accordance with this Article or otherwise, except as expressly provided herein. The District does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

UNDER NO CIRCUMSTANCES SHALL THE DISTRICT BE LIABLE TO THE REGISTERED OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE DISTRICT, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS ARTICLE, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

No default by the District in observing or performing its obligations under this Article shall constitute a breach of or default under the Bond Order for purposes of any other provision of this Bond Order.

Nothing in this Article is intended or shall act to disclaim, waive, or otherwise limit the duties of the District under federal and state securities laws.

The provisions of this Article may be amended by the District from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the District, but only if (1) the provisions of this Article, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (2) either (a) the Registered Owners of a majority in aggregate principal amount of the Bonds Outstanding consent to such amendment or (b) a Person that is unaffiliated with the District (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Registered Owners and beneficial owners of the Bonds. If the District so amends the provisions of this Article, it shall include with any amended financial information or operating data next provided in accordance with this Article an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided.

Section 11.6: Description of Annual Financial Information. The following information is referred to in Section 11.2 of this Article:

(a) Annual Financial Statements and Operating Data. The financial information and operating data with respect to the District to be provided annually in accordance with such Section 11.2 is found in APPENDIX A of the Official Statement, Audited Financial Statements; and



(b) Accounting Principles. The accounting principles referred to herein are generally accepted accounting principles for governmental units as prescribed by the Governmental Accounting Standards Board from time to time, as such principles may be changed from time to time to comply with state law or regulation, or as otherwise stated in the financial statements.

## ARTICLE XII

### BOOK ENTRY PROCEDURES

Section 12.1: Registration of Nominee of DTC. Notwithstanding the procedures set forth in this Order relating to registration and exchange of the Bonds, the Initial Bond shall be delivered against payment to the Purchaser. The Purchaser shall be required to promptly surrender the Initial Bond to the Paying Agent/Registrar for exchange. Bonds issued in exchange shall be registered in the name of CEDE & CO., as nominee of the Depository Trust Company, New York, New York (“DTC”), as Registered Owner of the Bonds, and held in the custody of DTC. Unless otherwise requested by DTC, a single certificate will be issued and delivered to DTC for each maturity of the Bonds. Beneficial owners of Bonds will not receive physical delivery of Bond certificates except as provided hereinafter. For so long as DTC shall continue to serve as securities depository for the Bonds as provided herein, all transfers of beneficial ownership interests will be made by book-entry only, and no investor or other party purchasing, selling or otherwise transferring beneficial ownership of Bonds is to receive, hold or deliver any Bond certificate.

Section 12.2: Obligation of Paying Agent/Registrar and District to DTC Participants. With respect to Bonds registered in the name of CEDE & CO., as nominee of DTC, the District and the Paying Agent/Registrar shall have no responsibility or obligation to any DTC Participant or to any Person on whose behalf a DTC Participant holds an interest in the Bonds except as provided in this Order. Without limiting the immediately preceding sentence, the District and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, CEDE & CO., or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other Person, other than a Registered Owner of the Bonds, as shown on the Register, of any notice with respect to the Bonds, including any notice of redemption, and (iii) the payment to any DTC Participant or any other Person, other than a Registered Owner of the Bonds, as shown in the Register, of any amount with respect to principal of or premium, if any, or interest on the Bonds. Notwithstanding any other provision of this Order to the contrary, the District and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Bond is registered in the Register as the absolute Registered Owner of such Bond for the purpose of payment of principal of and interest on the Bonds, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfer with respect to such Bond, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of, premium, if any, and interest on the Bonds only to or upon the Order of the respective Registered Owners, as shown in the Register as provided in this Order, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the District’s obligations with respect to payments of

principal, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than a Registered Owner, as shown in the Register, shall receive a Bond certificate evidencing the obligation of the District to make payments of amounts due pursuant to this Order. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of CEDE & CO., and subject to the provisions of this Order with respect to interest checks being mailed to the Registered Owner of record as of the Record Date, the phrase “CEDE & CO.” in this Order shall refer to such new nominee of DTC.

Section 12.3: Blanket Issuer Letter of Representations. The execution and delivery of the Blanket Issuer Letter of Representations is hereby approved with such changes as may be approved by the President or Vice President of the Board, and the President or Vice President of the Board is hereby authorized and directed to execute such Blanket Issuer Letter of Representations.

Section 12.4: Replacement of DTC or Issuance of Replacement Bonds. Replacement Bonds may be issued directly to beneficial owners of Bonds other than DTC, or its nominee, but only in the event that (i) DTC determines not to continue to act as securities depository for the Bonds (which determination shall become effective no less than ninety (90) days after delivery of written notice to such effect to the District and the Paying Agent/Registrar); or (ii) the District has advised DTC of its determination (which determination is conclusive as to DTC and the beneficial owners of the Bonds) that the interests of the beneficial owners of the Bonds might be adversely affected if such book-entry only system of transfer is continued. Upon occurrence of any of the foregoing events, the District shall use its best efforts to attempt to locate another qualified securities depository. If the District fails to locate another qualified securities depository to replace DTC, the District shall cause to be authenticated and delivered replacement Bonds, in certificate form, to the beneficial owners of the Bonds. In the event that the District makes the determination noted in (ii) above (provided that the District undertakes no obligation to make any investigation to determine the occurrence of any events that would permit the District to make any such determination), and has made provisions to notify the beneficial owners of Bonds of such determination by mailing an appropriate notice to DTC, it shall cause to be issued replacement Bonds in certificate form to beneficial owners of the Bonds as shown on the records of DTC provided to the District.

Section 12.5: DTC Requirements to be met. Whenever, during the term of the Bonds, the beneficial ownership thereof is determined by a book entry at DTC, the requirements in this Order of holding, delivering or transferring Bonds shall be deemed modified to require the appropriate Person or entity to meet the requirements of DTC as to registering or transferring the book entry to produce the same effect.

Section 12.6: Payments to CEDE & CO. Notwithstanding any other provision of this Order to the contrary, so long as any Bonds are registered in the name of CEDE & CO., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Bonds, and all notices with respect to such Bonds, shall be made and given, respectively, in the manner provided in the Blanket Issuer Letter of Representations.

Section 12.7: Cessation of DTC as Securities Depository. If at any time, DTC ceases to hold the Bonds as securities depository, all references herein to DTC shall be of no further force or effect.

### ARTICLE XIII

#### FINANCIAL GUARANTY INSURANCE POLICY

The following Statement of Insurance shall be printed on the Initial Bond and Definitive Bonds:

##### Statement of Insurance

Build America Mutual Assurance Company (“BAM”), New York, New York, has delivered its municipal bond insurance policy (the “Policy”) with respect to the scheduled payments due of principal of and interest on this Bond to The Bank of New York Mellon Trust Co., N.A., Dallas, Texas, or its successor, as paying agent for the Bonds (the “Paying Agent”). Said Policy is on file and available for inspection at the principal office of the Paying Agent and a copy thereof may be obtained from BAM or the Paying Agent. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. By its purchase of these Bonds, the owner acknowledges and consents (i) to the subrogation and all other rights of BAM as more fully set forth in the Policy and (ii) that upon the occurrence and continuance of a default or an event of default under the Bond Order or this Bond, BAM shall be deemed to be the sole owner of the Bonds for all purposes and shall be entitled to control and direct the enforcement of all rights and remedies granted to the owners of the Bonds or the paying agent, registrar or similar agent for the benefit of such owners under the Bond Order, at law or in equity.

### ARTICLE XIV

#### MISCELLANEOUS

Section 14.1: Defeasance. The District may defease the Bonds and discharge its obligation to the Registered Owners of any or all of the Bonds to pay the principal of and interest thereon in any manner permitted by law. In such event, the Bonds shall no longer be outstanding or unpaid. Any surplus amounts not required to accomplish such defeasance shall be returned to the District.

Section 14.2: Remedies Upon Default. In addition to all of the rights and remedies provided by the laws of the State of Texas, the District further covenants and agrees that in the event of default in the payment of the principal of or any interest on any of the Bonds when due, or, in the event it fails to make the payments required to be made into the Debt Service Fund or defaults in the observance or performance of any other covenants, conditions or obligations set forth in this Bond Order, the following remedies shall be available:

(a) The Registered Owners of the Bonds shall be entitled to a writ of mandamus issued by a court of competent jurisdiction compelling and requiring the District and the officials thereof to observe and perform the covenants, obligations or conditions prescribed in this Bond Order.

(b) Any delay or omission to exercise any right or power accruing upon any default shall not impair any such right or power and shall not be construed to be a waiver of any such default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient.

(c) Acceleration is not a remedy upon default.

Section 14.3: Annexation/Strategic Partnership Agreement. The District is party to a Strategic Partnership Agreement with the City of Conroe (the “City”) pursuant to which the City has agreed not to annex the District for full purposes prior to December 31, 2034 without the consent of the District. If the District is annexed by the City for full purposes, the City must assume all of the debts, liabilities and obligations of the District, including the Bonds and any outstanding bonds and must perform all of the functions of the District, including the provision of services. If the District is annexed for full purposes and the obligations thereof payable in whole or in part from ad valorem taxes become obligations of the City, the City is thereafter required to levy and collect taxes on all taxable property in the City sufficient to pay the principal of and interest on the Bonds and any outstanding bonds as it becomes due and payable.

Section 14.4: Consolidation. The laws of the State of Texas permit the District to be consolidated with one or more other conservation and reclamation districts. In that event, the District reserves the right to consolidate the System with a similar system of one or more such districts with which the District is consolidating. The District further reserves the right to:

(a) assume such other district’s bonds, notes or other obligations and voted but unissued bonds payable in whole or in part from taxation, and to provide for the joint levy of taxes to pay for the bonds so assumed;

(b) apply the net revenues from the operation of such consolidated system to the payment of principal, interest, redemption price and bond charges on the revenue bonds or combination unlimited tax and revenue bonds of the District and/or of the district or districts with which the District is consolidating, if any, without preference to any series of bonds with the same parity provided that subordinate lien revenue bonds shall continue to be subordinate to first lien revenue bonds of the consolidating districts; and

(c) pledge the net revenues of the consolidated system to the payment of principal, interest, redemption price and bond charges on revenue bonds which may be issued by the consolidating districts on a parity with the outstanding first lien revenue bonds of the consolidating districts.

Section 14.5: Amendment of Bond Order. The District may, without the consent of or notice to any Registered Owners of the Bonds, amend, change or modify this Bond Order as may be required (1) by the provisions hereof, (2) in connection with the issuance of any additional bonds, (3) for the purpose of curing any ambiguity, inconsistency, error or formal defect or omission herein, or (4) in connection with any other change which is not to the prejudice of any Registered Owner of the Bonds. Except for such amendments, changes and modifications, the District shall not amend, change or modify this Bond Order in any manner without the written consent of each Registered Owner of the Bonds, including particularly any

amendment, change or modification which would (1) extend the time or times of payment of the principal of and interest (or accrual of interest) on the Bonds, or reduce the principal amount thereof or the rate of interest thereon or in any other way modify the terms of payment of the principal of or interest on the Bonds, (2) create any lien ranking prior to or on a parity with the lien of the Bonds except for additional bonds as set forth in Section 6.2 hereof, (3) give preference of any Bond over any other bond, or (4) extend any waiver of default to subsequent defaults.

Section 14.6: Legal Holidays. On any date on which interest is payable on the Bonds or principal of the Bonds matures and such date shall be a legal holiday for the District or a day on which the Paying Agent/Registrar is authorized by law to close, then payment of interest or principal need not be made on such date but may be made on the next succeeding day which is not a legal holiday for the District or a day on which the Paying Agent/Registrar is authorized by law to close, and such payment on such succeeding day shall be treated with the same force and effect as if made on the Interest Payment Date or the date of maturity and no interest shall accrue for the period from the Interest Payment Date or maturity date to the date of actual payment.

Section 14.7: No Recourse Against District Officials. No recourse shall be had for the payment of principal of or interest on any of the Bonds or for any claim based thereon or on this Order against any official of the District or any person executing any Bonds.

Section 14.8: Further Proceedings. The President, Vice President, the Secretary, Assistant Secretary and other appropriate officials of the District are hereby authorized and directed to do any and all things necessary and/or convenient to carry out the terms or effectuate the intent of this Order.

Section 14.9: Severability. If any section, paragraph, clause or provision of this Order shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Order.

Section 14.10: Open Meeting. It is hereby found, determined, and declared that a sufficient written notice of the date, hour, place, and subject of the meeting of the Board of Directors at which this Order was adopted was posted at a place convenient and readily accessible at all times to the general public for the time required by law preceding this meeting, as required by the Open Meetings Act, Tex. Gov't. Code Ann. §551.001 et seq., (Vernon 2008), and that this meeting has been open to the public as required by law at all times during which this Order and the subject matter thereof has been discussed, considered, and formally acted upon. The Board of Directors further ratifies, approves, and confirms such written notice and the contents and posting thereof.

Section 14.11: Repealer. All orders, resolutions, and ordinances, or parts thereof, inconsistent herewith are hereby repealed to the extent of such inconsistency.

PASSED AND APPROVED THIS April 28, 2022.

JULIE GILMER

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President

ATTEST:

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Secretary



Exhibits:

Form of Initial Bond - A

Form of Definitive Bond - A-1

Written Procedures Relating to Continuing

Compliance with Federal Tax Covenants - B

EXHIBIT A  
FORM OF INITIAL BOND

STATEMENT OF INSURANCE

Build America Mutual Assurance Company (“BAM”), New York, New York, has delivered its municipal bond insurance policy (the “Policy”) with respect to the scheduled payments due of principal of and interest on this Bond to The Bank of New York Mellon Trust Co., N.A., Dallas, Texas, or its successor, as paying agent for the Bonds (the “Paying Agent”). Said Policy is on file and available for inspection at the principal office of the Paying Agent and a copy thereof may be obtained from BAM or the Paying Agent. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. By its purchase of these Bonds, the owner acknowledges and consents (i) to the subrogation and all other rights of BAM as more fully set forth in the Policy and (ii) that upon the occurrence and continuance of a default or an event of default under the Bond Order or this Bond, BAM shall be deemed to be the sole owner of the Bonds for all purposes and shall be entitled to control and direct the enforcement of all rights and remedies granted to the owners of the Bonds or the paying agent, registrar or similar agent for the benefit of such owners under the Bond Order, at law or in equity.

UNITED STATES OF AMERICA  
STATE OF TEXAS

No. IB-1

Registered \$6,950,000

RIVER PLANTATION MUNICIPAL UTILITY DISTRICT  
UNLIMITED TAX BOND  
SERIES 2022

DATED DATE: May 26, 2022

Series 2022 Serial Bonds

<u>Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
September 1,		

Series 2022 Term Bonds

<u>Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>

REGISTERED OWNER: CEDE & CO, as nominee for Depository Trust Company

River Plantation Municipal Utility District (the “District”), a body politic and corporate, and a political subdivision and governmental agency of the State of Texas, for value received, hereby promises to pay to the registered owner named above, or registered assigns, but solely from the source and in the manner hereinafter provided, on the Maturity Date specified above, unless this Bond shall have been duly called for prior redemption and payment of the redemption price shall have been made or provided for in accordance with the Bond Order (as hereinafter defined), upon presentation and surrender of this Bond, the principal amount identified above and to pay interest on such sum from the Dated Date hereof (as defined in the Bond Order) or the most recent Interest Payment Date at the per annum rate set forth above calculated on the basis of a 360-day year, semiannually on March 1 and September 1 of each year, commencing March 1, 2023, until the payment of such sum shall have been made or provided for. Principal of this Bond is payable on presentation and surrender of this Bond in lawful money of the United States of America, without deduction for paying agent services, to the Paying Agent/Registrar, The Bank of New York Mellon Trust Company, N.A., Dallas, Texas (the “Paying Agent/Registrar”). All interest on this Bond payable prior to the maturity hereof shall be paid by check mailed to the registered owner hereof at its address as it appears on the registration books of the Paying Agent/Registrar. The registered owner of this Bond shall be determined in each case as of the close of business on the fifteenth (15th) day of the calendar month next preceding the Interest Payment Date.

This Bond is the duly authorized Initial Bond representing the entire principal amount of the District’s Unlimited Tax Bonds, Series 2022 (the “Bonds”), aggregating in principal amount \$6,950,000, authorized by a Bond Order (the “Bond Order”) adopted by the Board of Directors of the District on April 28, 2022, pursuant to and in full conformity with the Constitution and the laws of the State of Texas. The Bonds, which pay interest semiannually until maturity or earlier redemption, are issued for the purposes of purchasing, constructing, acquiring, owning, operating, maintaining, repairing, improving and extending a water and sanitary sewer system, a surface water system, and sewage disposal facilities for the District and a drainage system for the drainage of lands within the District, and for paying fees or charges to any regional water authority or similar entity for charges or contributions lawfully levied on the District, and to pay all of the related engineering, legal and financial advisory fees in connection therewith and payment of the costs of issuance of the Bonds, under and in strict conformity with the Constitution and laws of the State of Texas, particularly Chapters 49 and 54, Texas Water Code, as amended, and the Public Security Procedures Act, Tex. Gov’t. Code Ann. § 1201 et seq. (Vernon 2008).





registered owner’s attorney duly authorized in writing, and thereupon one or more new fully registered Bonds of the same stated maturity, of authorized denominations, bearing the same rate of interest, and for the same aggregate principal amount will be issued to the designated transferee or transferees.

Neither the District nor the Paying Agent/Registrar shall be required to issue, transfer or exchange any Bond during a period beginning at the opening of business on the fifteenth (15th) calendar day of the month next preceding an interest payment date and ending at the close of business on the next succeeding interest payment date. Neither the District nor the Paying Agent/Registrar shall be required to (1) issue, transfer or exchange any Bond selected for redemption during a period beginning at the opening of business fifteen (15) calendar days before the date of the first mailing of a notice of redemption of Bonds hereunder and ending at the close of business on the day of such mailing, or (2) thereafter to transfer or exchange any Bond so selected for redemption in whole or in part where such redemption is scheduled to occur within thirty (30) calendar days.

The District, the Paying Agent/Registrar, and any agent of either of them shall treat the person in whose name this Bond is registered as the owner hereof for the purpose of receiving payment as herein provided and for all other purposes, whether or not this Bond be overdue, and neither the District, the Paying Agent/Registrar, nor any agent shall be affected by notice to the contrary.

The District reserves the right to issue additional bonds and other evidences of indebtedness in the manner provided by Chapters 49 and 54, Texas Water Code, as amended, including without limitation, inferior lien bonds, refunding bonds, revenue bonds and special project bonds. Reference is made to the Bond Order for a complete description of the right to issue such additional bonds.

The District is party to a Strategic Partnership Agreement with the City of Conroe (the “City”) pursuant to which the City has annexed a portion of the District for limited purposes and has agreed for a 30-year period not to annex the District for full purposes prior to December 31, 2034 without the consent of the District. If the District is annexed by the City for full purposes, the City must assume all of the debts, liabilities and obligations of the District, including the Bonds and any outstanding bonds and must perform all of the functions of the District, including the provision of services. If the District is annexed for full purposes and the obligations thereof payable in whole or in part from ad valorem taxes become obligations of the City, the City is thereafter required to levy and collect taxes on all taxable property in the City sufficient to pay the principal of and interest on the Bonds and any outstanding bonds as it becomes due and payable. There are also provisions of state law which permit the consolidation of a district with one or more other districts. Reference is hereby made to the Bond Order for a more complete description of the terms, conditions and circumstances under and by virtue of which the District may be annexed or consolidated, and to the provisions of which the registered holder of this Bond by acceptance hereof expressly consents.

No Bond shall be valid or obligatory for any purpose or be entitled to any benefit under the Bond Order until the certificate of registration hereon shall have been signed by the Comptroller of Public Accounts of the State of Texas.

IT IS HEREBY CERTIFIED, RECITED AND REPRESENTED that the issuance of this Bond and the Bonds is duly authorized by law; that all acts, conditions and things required to exist and necessary to be done or performed precedent to and in the issuance of this Bond and the Bonds to render the same lawful, valid and binding have been properly done and performed and have happened in regular and due time, form and manner as required by law; that all acts, conditions and things necessary to be done or performed by the District or to have happened precedent to and in the execution and delivery of the Bond Order have been done and performed and have happened in regular and due form as required by law; that due provision has been made in the Bond Order for the payment of the principal of and interest on this Bond and the Bonds by the levy of a direct annual ad valorem tax upon all taxable property in the District sufficient to pay the principal of and interest on this Bond in the manner provided by Section 54.503(1), Texas Water Code; that payment in full for the Bonds has been received; and that the issuance of the Bonds does not contravene or violate any constitutional or statutory limitation.

IN WITNESS WHEREOF, the District has caused this Bond to be executed in its name by the President of its Board of Directors and to be attested to by the Secretary or Assistant Secretary of its Board of Directors both by their respective manual signatures, and the official seal of the District to be placed hereon.

RIVER PLANTATION MUNICIPAL UTILITY DISTRICT

By \_\_\_\_\_  
President, Board of Directors

ATTEST:

\_\_\_\_\_  
Secretary

(SEAL)

OFFICE OF THE COMPTROLLER

§  
§  
§

REGISTER NO. \_\_\_\_\_

STATE OF TEXAS

I hereby certify that there is on file and of record in my office an opinion of the Attorney General of the State of Texas to the effect that this Bond has been examined by him as required by law, and that he finds that it has been issued in conformity with the Constitution and laws of the State of Texas, and that it is a valid and binding obligation of River Plantation Municipal Utility District, and said Bond has this day been registered by me.

Witness my hand and seal of office, at Austin, Texas, this \_\_\_\_\_.

\_\_\_\_\_  
Comptroller of Public Accounts, State of Texas

EXHIBIT A-1  
FORM OF DEFINITIVE BOND

STATEMENT OF INSURANCE

Build America Mutual Assurance Company (“BAM”), New York, New York, has delivered its municipal bond insurance policy (the “Policy”) with respect to the scheduled payments due of principal of and interest on this Bond to The Bank of New York Mellon Trust Co., N.A., Dallas, Texas, or its successor, as paying agent for the Bonds (the “Paying Agent”). Said Policy is on file and available for inspection at the principal office of the Paying Agent and a copy thereof may be obtained from BAM or the Paying Agent. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. By its purchase of these Bonds, the owner acknowledges and consents (i) to the subrogation and all other rights of BAM as more fully set forth in the Policy and (ii) that upon the occurrence and continuance of a default or an event of default under the Bond Order or this Bond, BAM shall be deemed to be the sole owner of the Bonds for all purposes and shall be entitled to control and direct the enforcement of all rights and remedies granted to the owners of the Bonds or the paying agent, registrar or similar agent for the benefit of such owners under the Bond Order, at law or in equity.

UNITED STATES OF AMERICA  
STATE OF TEXAS

NO. R- REGISTERED \$ \_\_\_\_\_

RIVER PLANTATION MUNICIPAL UTILITY DISTRICT  
UNLIMITED TAX BOND  
SERIES 2022

INTEREST RATE: \_\_\_\_\_% CUSIP: \_\_\_\_\_ MATURITY DATE: \_\_\_\_\_  
DATED DATE: May 26, 2022  
PRINCIPAL AMOUNT: \_\_\_\_\_ DOLLARS  
REGISTERED HOLDER: CEDE & CO., as nominee for Depository Trust Co. (“DTC”)

River Plantation Municipal Utility District (the “District”), a body politic and corporate, and a political subdivision and governmental agency of the State of Texas, for value received, hereby promises to pay to the registered owner named above, or registered assigns, but solely from the source and in the manner hereinafter provided, on the Maturity Date specified above, unless this Bond shall have been duly called for prior redemption and payment of the redemption price shall have been made or provided for in accordance with the Bond Order (as hereinafter defined), upon presentation and surrender of this Bond, the principal amount identified above and to pay interest on such sum from the Dated Date hereof (as defined in the Bond Order) or the most recent Interest Payment Date at the per annum rate set forth above calculated on the basis of a 360-day year, semiannually on March 1 and September 1 of each year, commencing March 1, 2023 until the payment of such principal sum shall have been made or provided for. Principal of this Bond is payable on presentation and surrender of this Bond in lawful money of the United States of America, without deduction for paying agent services, to the Paying Agent/Registrar, currently The Bank of New York Mellon Trust Company, N.A., Dallas, Texas (the “Paying Agent/Registrar”). All interest on this Bond payable prior to the maturity hereof shall be paid by check mailed to the registered owner hereof at its address as it appears on the registration books of the Paying Agent/Registrar. The registered owner of this Bond shall be determined in each case as of the close of business on the fifteenth (15th) day of the calendar month next preceding the Interest Payment Date.

This Bond is one of the duly authorized Bonds of the District’s Unlimited Tax Bonds, Series 2022 (the “Bonds”), aggregating in principal amount \$6,950,000, authorized by a Bond Order (the “Bond Order”) adopted by the Board of Directors of the District on April 28, 2022, pursuant to and in full conformity with the Constitution and the laws of the State of Texas. The Bonds, which pay interest semiannually until maturity or earlier redemption, are issued for the purposes of purchasing, constructing, acquiring, owning, operating, maintaining, repairing, improving and extending a water and sanitary sewer system, a surface water system, and sewage disposal facilities for the District and a drainage system for the drainage of lands within the District, and for paying fees or charges to any regional water authority or similar entity for charges or contributions lawfully levied on the District, and to pay all of the related engineering, legal and financial advisory fees in connection therewith and payment of the costs of issuance of the Bonds, under and in strict conformity with the Constitution and laws of the State of Texas, particularly Chapters 49 and 54, Texas Water Code, as amended, and the Public Security Procedures Act, Tex. Gov’t. Code Ann. § 1201 et seq. (Vernon 2008).

This Bond and the other Bonds of the series of which it is a part are payable from the proceeds of a direct annual ad valorem tax levied upon all taxable property subject to taxation within the District, without limitation as to rate or amount in the manner provided by Section 54.503(1), Texas Water Code, as amended.

Bonds of this issue maturing on September 1, 2029, and thereafter, shall be callable for redemption prior to maturity, at the option of the District, in whole or in part, on September 1, 2028, or on any date thereafter, for the purpose of retirement or refunding, or both, at par in addition to unpaid accrued interest to the date of redemption. If less than all of the Bonds of a particular maturity are to be redeemed at any time, the particular Bonds to be redeemed shall be selected by the DTC in accordance with its procedures, while the Bonds are in book-entry only form. If book-entry only form is discontinued and less



date and ending at the close of business on the next succeeding interest payment date. Neither the District nor the Paying Agent/Registrar shall be required to (1) issue, transfer or exchange any Bond selected for redemption during a period beginning at the opening of business fifteen (15) calendar days before the date of the first mailing of a notice of redemption of Bonds hereunder and ending at the close of business on the day of such mailing, or (2) thereafter to transfer or exchange any Bond so selected for redemption in whole or in part where such redemption is scheduled to occur within thirty (30) calendar days.

The District, the Paying Agent/Registrar, and any agent of either of them shall treat the person in whose name this Bond is registered as the owner hereof for the purpose of receiving payment as herein provided and for all other purposes, whether or not this Bond be overdue, and neither the District, the Paying Agent/Registrar, nor any agent shall be affected by notice to the contrary.

The District reserves the right to issue additional bonds and other evidences of indebtedness in the manner provided by Chapters 49 and 54, Texas Water Code, as amended, including without limitation, inferior lien bonds, refunding bonds, revenue bonds and special project bonds. Reference is made to the Bond Order for a complete description of the right to issue such additional bonds.

The District is party to a Strategic Partnership Agreement with the City of Conroe (the "City") pursuant to which the City has agreed not to annex the District for full purposes prior to December 31, 2034 without the consent of the District. If the District is annexed by the City for full purposes, the City must assume all of the debts, liabilities and obligations of the District, including the Bonds and any outstanding bonds and must perform all of the functions of the District, including the provision of services. If the District is annexed for full purposes and the obligations thereof payable in whole or in part from ad valorem taxes become obligations of the City, the City is thereafter required to levy and collect taxes on all taxable property in the City sufficient to pay the principal of and interest on the Bonds and any outstanding bonds as it becomes due and payable. There are also provisions of state law which permit the consolidation of a district with one or more other districts. Reference is hereby made to the Bond Order for a more complete description of the terms, conditions and circumstances under and by virtue of which the District may be annexed or consolidated, and to the provisions of which the registered holder of this Bond by acceptance hereof expressly consents.

No Bond shall be valid or obligatory for any purpose or be entitled to any benefit under the Bond Order until the certificate of authentication hereon shall have been signed by the Paying Agent/Registrar.

IT IS HEREBY CERTIFIED, RECITED AND REPRESENTED that the issuance of this Bond and the Bonds is duly authorized by law; that all acts, conditions and things required to exist and necessary to be done or performed precedent to and in the issuance of this Bond and the Bonds to render the same lawful, valid and binding have been properly done and performed and have happened in regular and due time, form and manner as required by law; that all acts, conditions and things necessary to be done or performed by the District or to have happened precedent to and in the execution and delivery of the Bond Order have been done and performed and have happened in regular and due form as required by law; that due provision has been made in the Bond Order for the payment of the principal of and interest on this Bond and the Bonds by the levy of a direct annual ad valorem tax upon all taxable property in the District sufficient to pay the principal of and interest on this Bond in the manner provided by Section 54.503(1), Texas Water Code, as amended; that payment in full for the Bonds has been received; and that the issuance of the Bonds does not contravene or violate any constitutional or statutory limitation.

IN WITNESS WHEREOF, the District has caused this Bond to be executed in its name by the President of its Board of Directors and to be attested to by the Secretary or Assistant Secretary of its Board of Directors both by their respective manual signatures, and the official seal of the District to be placed hereon.

RIVER PLANTATION MUNICIPAL UTILITY DISTRICT

By: \_\_\_\_\_  
President, Board of Directors

ATTEST:  
\_\_\_\_\_  
Secretary

(SEAL)  
Certificate of Authentication

This is one of the Bonds referred to in the within-mentioned Bond Order. The undersigned Paying Agent/Registrar hereby certifies that on file in its office is an opinion of the Attorney General of the State of Texas approving the originally issued Bonds and the proceedings relating thereto and that such Bonds contain a Certificate of Registration by the Comptroller of Public Accounts of the State of Texas.

The Bank of New York Mellon Trust Company, N.A., as Paying Agent/Registrar

DATED \_\_\_\_\_ By: \_\_\_\_\_  
Authorized Signatory

Assignment

FOR VALUE RECEIVED the undersigned hereby sells, assigns, and transfers unto \_\_\_\_\_ (Transferee), (Social Security or other identifying number): \_\_\_\_\_ the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_ attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_

The signature of the registered owner appearing on this Assignment is hereby verified as true and and genuine and is guaranteed by:

\_\_\_\_\_  
Registered Owner  
NOTICE: The signature on this Assignment must correspond with the name of the Registered Owner as it appears on the face of the within Bond in every particular

\_\_\_\_\_  
(Bank, Trust Company, or Brokerage Firm)

\_\_\_\_\_  
(Authorized Representative)

The following abbreviations, when used in the inscription on the face of this Bond, shall be construed as though they were written out in full.

- TEN COM - as tenants in common
- TEN ENT - as tenants by the entirety
- JT TEN - as joint tenants with right of survivorship and not as tenants in common
- UNIF GIFT MIN ACT - \_\_\_\_\_ - Custodian for \_\_\_\_\_  
(Cust) (Minor)  
under Uniform Gifts to Minors Act \_\_\_\_\_ (State)

Additional abbreviations may also be used though not in list above.

## EXHIBIT B

**WRITTEN PROCEDURES RELATING TO CONTINUING  
COMPLIANCE WITH FEDERAL TAX COVENANTS**

A. Arbitrage. With respect to the investment and expenditure of the proceeds of the River Plantation Municipal Utility District Unlimited Tax Bonds, Series 2022 in the par amount of \$6,950,000 (the “Bonds”) the District’s Board of Directors (the “Responsible Persons”) will :

- instruct the appropriate person or persons that the construction, renovation or acquisition of the facilities must proceed with due diligence and that binding contracts for the expenditure of at least 5% of the proceeds of the Bonds will be entered into within 6 months of the Issue Date;
- monitor that at least 85% of the proceeds of the Bonds to be used for the construction, renovation or acquisition of any facilities are expended within 3 years of the date of delivery of the Bonds (“Issue Date”);
- restrict the yield of the investments to the yield on the Bonds after 3 years of the Issue Date;
- monitor all amounts deposited into a sinking fund or funds, e.g., the Debt Service Fund, to assure that the maximum amount invested at a yield higher than the yield on the Bonds does not exceed an amount equal to the debt service on the Bonds in the succeeding 12 month period plus a carryover amount equal to one-twelfth of the principal and interest payable on the Bonds for the immediately preceding 12-month period;
- ensure that no more than 50% of the proceeds of the Bonds are invested in an investment with a guaranteed yield for 4 years or more;
- maintain any official action of the District (such as a reimbursement resolution) stating its intent to reimburse with the proceeds of the Bonds any amount expended prior to the Issue Date for the acquisition, renovation or construction of the facilities;
- ensure that the applicable information return (e.g., IRS Form 8038-G, 8038-GC, or any successor forms) is timely filed with the IRS;
- assure that, unless excepted from rebate and yield restriction under section 148(f) of the Code, excess investment earnings are computed and paid to the U.S. government at such time and in such manner as directed by the IRS (i) at least every 5 years after the Issue Date and (ii) within 30 days after the date the Bonds are retired.

B. Private Business Use. With respect to the use of the facilities financed or refinanced with the proceeds of the Bonds the District’s Board of Directors will:

- monitor the date on which the facilities are substantially complete and available to be used for the purpose intended;

- monitor whether, at any time the Bonds are outstanding, any person, other than the District, the employees of the District, the agents of the District or members of the general public has any contractual right (such as a lease, purchase, management or other service agreement) with respect to any portion of the facilities;
- monitor whether, at any time the Bonds are outstanding, any person, other than the District, the employees of the District, the agents of the District or members of the general public has a right to use the output of the facilities (e.g., water, gas, electricity);
- monitor whether, at any time the Bonds are outstanding, any person, other than the District, the employees of the District, the agents of the District or members of the general public has a right to use the facilities to conduct or to direct the conduct of research;
- determine whether, at any time the Bonds are outstanding, any person, other than the District, has a naming right for the facilities or any other contractual right granting an intangible benefit;
- determine whether, at any time the Bonds are outstanding, the facilities are sold or otherwise disposed of; and
- take such action as is necessary to remediate any failure to maintain compliance with the covenants contained in this Order related to the public use of the facilities.

C. Record Retention. The Responsible Persons will maintain or cause to be maintained all records relating to the investment and expenditure of the proceeds of the Bonds and the use of the facilities financed or refinanced thereby for a period ending three (3) years after the complete extinguishment of the Bonds. If any portion of the Bonds is refunded with the proceeds of another series of tax-exempt bonds or obligations, such records shall be maintained until the three (3) years after the refunding bonds or obligations are completely extinguished. Such records can be maintained in paper or electronic format.

D. Responsible Persons. Each Responsible Person shall receive appropriate training regarding the District's accounting system, contract intake system, facilities management and other systems necessary to track the investment and expenditure of the proceeds and the use of the facilities financed with the proceeds of the Bonds. The foregoing notwithstanding, the Responsible Persons are authorized and instructed to retain such experienced advisors and agents as may be necessary to carry out the purposes of these instructions.



I, the undersigned Secretary of the Board of Directors of River Plantation Municipal Utility District hereby certify that the foregoing is a true and correct copy of the Bond Order and excerpts of minutes, which Bond Order was adopted by said Board of Directors at its regular meeting on April 28, 2022, as same appear of record in the official minutes of said Board of Directors on file in said District's office.

I further certify that said meeting was open to the public, and that notice thereof was posted in compliance with the provisions of Tex. Gov't. Code Ann. §551.001 et seq.

Witness my hand and the official seal of said District, this April 28, 2022.

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Secretary



## SECOND AMENDED AND RESTATED AGREEMENT FOR BOOKKEEPING SERVICES

THIS SECOND AMENDED AND RESTATED AGREEMENT FOR BOOKKEEPING SERVICES (this "Agreement") is made as of the 24th day of February, 2022, by and between RIVER PLANTATION MUNICIPAL UTILITY DISTRICT, OF MONTGOMERY COUNTY, TEXAS, a body politic and corporate and a governmental agency of the State of Texas, operating under the provisions of Chapter 49 and Chapter 54, Texas Water Code, as amended, and Article XVI, Section 59 of the Constitution of the State of Texas (the "District"), and MUNICIPAL ACCOUNTS & CONSULTING, L.P., a Texas limited partnership, (the "Bookkeeper") in consideration of the mutual covenants and agreements herein contained.

### ARTICLE I

Bookkeeper shall render the following services to the District:

1. Establish and maintain, if applicable, checking accounts, journals and ledgers pertaining to the District's Debt Service Fund, Capital Projects Fund, and General Operating Fund all in accordance with generally accepted accounting procedures, the laws of the State of Texas, policies and regulations adopted by the Board of Directors of the District (the "Board"), and the requirements of the Texas Commission on Environmental Quality, and in such a manner that excessive auditing procedures or adjustments by the auditors are not required.
2. Reconcile all accounts at least every thirty (30) days, and promptly report any discrepancies to the appropriate depository institution and the Board at its next meeting.
3. Maintain a summary general ledger for the Tax Fund from reports supplied by the District's Tax Assessor-Collector.
4. Prepare and present for Board approval all checks, with invoices attached, drawn on the District's Debt Service Fund, Capital Projects Fund, and General Operating Fund.
5. Prepare annual budget for the General Operating Fund.
6. Prepare IRS Forms W-2, W-3 and 941, and otherwise comply with the provisions of the Internal Revenue Code, as amended from time to time, with respect to the payment of fees of office for each member of the Board, unless such duties are contractually assumed by a third party payroll provider.
7. At each meeting of the Board (but not more often than monthly), prepare and present a cash flow report and account balance report indicating all activity within each of the above funds and the current distribution and investment of moneys within each fund and prepare and present an actual versus budget comparison statement and Balance Sheet in the General Operating Fund.
8. Complete postings and close all journals and ledgers within forty-five (45) days after the end of District's fiscal year.
9. Travel to and attend the District's Board of Directors meetings.

10. Prepare Internal Revenue Service Forms 1099 and 1096.
11. Correct vendor invoices/reports.
12. Prepare audit schedules.
13. Be accessible to the District's auditor to efficiently perform the annual audit, including use of Bookkeeper's office facilities during the field audit.
14. To the extent the District enters into a payroll processing service agreement (a "Payroll Agreement") with a third party vendor, Bookkeeper shall handle all responsibilities and obligations of the District thereunder.

All such services shall be rendered in a professional, competent and timely manner and in accordance with the provisions of the District's order establishing policies for investment of District funds, as same may be amended from time to time (the "Investment Policy"). Bookkeeper shall promptly pay or reimburse the District for any financial liabilities incurred by the District that arise out of Bookkeeper's acts or omissions in handling the District's responsibilities and obligations set forth in a Payroll Agreement .

## ARTICLE II

As consideration for the services rendered by the Bookkeeper to the District as set forth in Article I above, the District shall pay the Bookkeeper an hourly fee based upon Bookkeeper's current hourly rates as shown on **Exhibit A** attached hereto and incorporated herein for all purposes. Bookkeeper's, and if so elected hereunder, the Investment Officer's, hourly rates are subject to annual revision in January of each year that this Agreement is in force. Bookkeeper shall provide District with a revised schedule of hourly rates at least thirty (30) days prior to the institution of same.

If the District so elects in accordance with Texas Water Code Section 49.1571, Mark M. Burton and Ghia Lewis, or such other employee(s) of Bookkeeper as the District and Bookkeeper may agree to in writing, shall jointly serve as the District's Investment Officer and as such, shall comply with all terms and provisions of the Investment Policy and all applicable laws, including but not limited to, the Public Funds Investment Act, Texas Local Government Code, Chapter 2256, as may be amended from time to time. Should the District elect for the above employee(s) of Bookkeeper to serve as the District's Investment Officer, the District shall pay an hourly fee for such services based upon Bookkeeper's current hourly rates as shown on **Exhibit A** attached hereto and incorporated herein for all purposes, which services shall include the preparation of the quarterly report of investment transactions as required by the Investment Policy and arranging for appropriate security of District funds as required by the Investment Policy.

At each District bond funding, the Bookkeeper shall supply the District's Financial Advisor with Debt Service Fund balances; verify bond funds to be deposited into the District's Debt Service Fund, Capital Projects Fund, and General Operating Fund; establish schedules for anticipated payment of future construction pay estimates; invest all surplus bond proceeds; wire and/or disburse District funds in accordance with instructions from the Board; arrange for appropriate security of District funds as required by law and the Investment Policy; prepare annual Debt Service Requirement Schedules in connection with the levy of taxes; prepare outstanding debt service obligation schedules and amendments to same if the District sells bonds as required by the

Attorney and/or Financial Advisor for the District in order to comply with the Texas Water Code, all of which services shall be paid at the rate set forth in **Exhibit A**.

In addition to the fees set forth above, the District shall pay the Bookkeeper for all out-of-pocket expenses reasonably and necessarily incurred by Bookkeeper in the performance of the services described herein, including but not limited to, printing, reproduction of documents, fax, long distance telephone calls, document storage and retention, data storage, travel expense, courier services, and postage.

### ARTICLE III

The District shall instruct all contractors, vendors and service representatives of the District to submit all bills and invoices to Bookkeeper at least five (5) days prior to any scheduled meetings of the Board, or in accordance with the deadline for the Bookkeeper's report as required by the Board. It is understood that any bill or invoice submitted subsequent to said five (5) day period shall be paid if possible at said meeting, but will not necessarily be reflected on the cash flow report. Bills, invoices and/or reports requested to be prepared for any scheduled meeting after this cutoff date shall be billed at Bookkeeper's hourly rates as shown on **Exhibit A**.

### ARTICLE IV

All records and documents related to the services of the Bookkeeper to the District hereunder shall be the District's property. The District and the Bookkeeper each acknowledge that the requirements of Chapter 552, Texas Government Code, as amended (the "Public Information Act"), and Chapters 201-205, Texas Local Government Code, as amended (the "Local Government Records Act," and together with the Public Information Act, the "Acts"), each apply to all public information, as defined by the Public Information Act, and all local government records, as defined by the Local Government Records Act, related to the relationship between the District and the Bookkeeper, and to any work carried out thereunder. The Bookkeeper covenants that it will comply with all requirements of the Acts, the District's Record Management Program, and all applicable rules, regulations, policies and retention schedules adopted thereunder. Upon termination of this Agreement, said records and documents, other than in proprietary form, shall be promptly delivered by the Bookkeeper to the District or the District's designee.

### ARTICLE V

Bookkeeper shall provide and maintain in full force and effect at Bookkeeper's expense insurance in the amount of \$3,000,000 ensuring that bookkeeper will faithfully account for all monies, which shall come into Bookkeeper's custody under terms of its service agreements. If the District elects, the bookkeeper shall also provide the District with a public employees blanket bond, acceptable to the District, in a minimum amount of \$10,000 or, if greater, the minimum amount required by law. The cost of such bond shall be borne by the District.

### ARTICLE VI

The term of this Agreement shall be for a period of one (1) year from the date hereof and shall continue thereafter for successive one-year periods until terminated by either party. This Agreement may be terminated at any time by either party hereto by providing thirty (30) days

advance written notice to the other party. All work associated with transitioning to or from another party will be billed at Bookkeeper's hourly rate. In the event the District incurs any early termination fees or similar financial liabilities by virtue of a Payroll Agreement that contains a longer termination notice provision than this Agreement, Bookkeeper shall reimburse the District for any early termination fees and other financial liabilities incurred in connection with termination of the Payroll Agreement on or about the date of termination of this Agreement pursuant to this Article VI.

ARTICLE VII

As required by Chapter 2271, Texas Government Code, as amended, Bookkeeper hereby verifies that Bookkeeper, including any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the same, does not boycott Israel and will not boycott Israel through the term of this Agreement. As used in the foregoing verification, the term "boycott Israel" has the meaning assigned to such term in Section 808.001, Texas Government Code, as amended.

Pursuant to Chapter 2252, Texas Government Code, Bookkeeper represents and certifies that, at the time of execution of this Agreement neither the Bookkeeper, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the same, is a company listed by the Texas Comptroller of Public Accounts under Sections 2270.0201 or 2252.153 of the Texas Government Code.

Pursuant to Section 2274.002, Texas Government Code (as added by Senate Bill 13, 87th Texas Legislature, Regular Session), as amended, Bookkeeper hereby verifies that Bookkeeper, including any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the same, does not boycott energy companies, and will not boycott energy companies during the term of this Agreement. As used in the foregoing verification, "boycott energy companies" shall have the meaning assigned to the term "boycott energy company" in Section 809.001, Texas Government Code, as amended.

Pursuant to Section 2274.002, Texas Government Code (as added by Senate Bill 19, 87<sup>th</sup> Texas Legislature, Regular Session, "SB 19"), as amended, Bookkeeper hereby verifies that Bookkeeper, including any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the same, (i) does not have a practice, policy, guidance or directive that discriminates against a firearm entity or firearm trade association, and (ii) will not discriminate against a firearm entity or firearm trade association during the term of this Agreement. As used in the foregoing verification, "discriminate against a firearm entity or trade association" shall have the meaning assigned to such term in Section 2274.001(3), Texas Government Code (as added by SB 19), as amended.

This Agreement shall supersede all other prior agreements between the District and Bookkeeper, including that certain Amended and Restated Agreement for Bookkeeping Services dated August 23, 2018, as the same may have been amended from time to time.

IN WITNESS WHEREOF, the District and the Bookkeeper have executed this Agreement in multiple counterparts, each of which shall be deemed to be an original, as of the date first set forth above.

RIVER PLANTATION MUNICIPAL UTILITY  
DISTRICT, OF MONTGOMERY COUNTY,  
TEXAS

By \_\_\_\_\_  
President, Board of Directors

MUNICIPAL ACCOUNTS &  
CONSULTING, L.P.

By \_\_\_\_\_  
Mark M. Burton, Managing Member  
The Asher Group, LLC, General Partner

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# River Plantation Municipal Utility District

Bookkeeper's Report

April 28, 2022

## Account Balances

As of April 28, 2022

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Financial Institution (Acct Number)	Issue Date	Maturity Date	Interest Rate	Account Balance	Notes
<b>Fund: Operating</b>					
Money Market Funds					
TEXAS CLASS (XXXX0001)	11/15/2018		0.29 %	371,925.87	
Checking Account(s)					
FIRST FINANCIAL BANK (XXXX5416)			0.04 %	499,749.71	Cash In Bank
FIRST FINANCIAL BANK (XXXX5440)			0.03 %	566,638.64	Tax Deposit Account
FIRST FINANCIAL BANK (XXXX4421)			0.04 %	35,702.94	Online Account
Totals for Operating Fund:				\$1,474,017.16	
<b>Fund: Capital Projects</b>					
Money Market Funds					
TEXAS CLASS (XXXX0002)	01/14/2022		0.29 %	49,845.89	Series 2022 Park
Checking Account(s)					
FIRST FINANCIAL BANK (XXXX5941)			0.00 %	300.00	Checking Account
Totals for Capital Projects Fund:				\$50,145.89	
<b>Fund: Debt Service</b>					
Money Market Funds					
TEXAS CLASS (XXXX0003)	01/14/2022		0.29 %	49,633.63	
Totals for Debt Service Fund:				\$49,633.63	
Grand total for River Plantation Municipal Utility District:				\$1,573,796.68	



## Cash Flow Report - Checking Account

As of April 28, 2022

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Num	Name	Memo	Amount	Balance
BALANCE AS OF 03/25/2022				\$44,805.00
Receipts				
	Accounts Receivable - March 2022		39,371.53	
	Accounts Receivable - March 2022 - DIT		546.16	
	Customer Meter Deposits		2,886.00	
	Interest		4.39	
	RP MUD vs. River Plantation Properties, LLC Settlement		511,130.00	
Total Receipts				553,938.08
Disbursements				
23292	Bank of America Business Card	Expenses for 02/22	(817.12)	
23293	Consolidated Communications	%' % ' HYd\cbY'9I d! '5Xa ]b	(395.77)	
23294	Entergy	%& * ' i ]j]Yg GHD	(9,591.30)	
23295	Lowes	%& ) ' A UjbHbLbW/ ' F YdUjF'GHD	(66.18)	
23296	Nova Biologicals, Inc.	%% \$ ' @UcFUcfr9I dYbgY! ' K UYF	(80.00)	
23297	TML Intergovernmental Employee Ben. Pool	%)' \$ ' 9a d'cnY' < YUH' -bg fLbW#%)' % '8 YdY	(5,386.33)	
23298	Centerpoint Energy	%' % ' i ]j]Yg 5Xa ]b	(85.50)	
23299	Prepared Publications, Inc.	%' %\$ ' C dYfUjcbg5Xa ]b	(180.00)	
23300	J Schmitt Concrete	%&- \$ ' A UjbHbLbW/ ' F YdUjfg! ' DUF_	(1,100.00)	
23301	Eastex Environmental Laboratory Inc	%& ' ' @U: YyGHD	(418.00)	
23302	RVS Software	%' %\$ ' Df]b]b[ / ' C Z]W'G dd ]Yg	(961.78)	
23303	This House is Clean	%' %\$ ' C dYfUjcbg5Xa ]b	(80.00)	
23304	Speed Printing & Office Supply	%' %\$ ' Df]b]b[ / ' C Z]W'G dd ]Yg	(96.39)	
23305	This House is Clean	%' %\$ ' C dYfUjcbg5Xa ]b	(80.00)	
23306	Brian Wilke	Deposit Refund	(57.60)	
23307	Clinton Sikes	Deposit Refund	(21.12)	
23308	James Kennedy	Deposit Refund	(150.00)	
23309	Jeanine Pepper	Deposit Refund	(139.48)	
23310	Kathryn Lawrence	Deposit Refund	(24.47)	
23311	SFR JV-1 2020-1 Borrower	Deposit Refund	(101.58)	
23312	Coburn's Supply Company Inc.	%% \$ ' A UjbHbLbW/ ' F YdUjfg! ' K UYF	(120.92)	
23313	David Bailey	% +\$) ' G bXfrtA UjbH' h' fi %#! ' ' #&\$	(224.25)	
23314	DXI Industries, Inc.	%&(\$ ' 7\Ya ]WgGHD	(1,715.96)	
23315	Eastex Environmental Laboratory Inc	%& ' ' @U: YyGHD	(495.00)	
23316	Grainger Inc	%& ) ' A UjbHbLbW/ ' F YdUjF'GHD	(404.00)	
23317	Green Utility Services LLC	%% \$ ' A UjbHbLbW/ ' F YdUjfg! ' K UYF	(9,533.00)	
23318	McCormack Fire Extinguishers Specialist	%& ) ' A UjbHbLbW/ ' F YdUjF'GHD'P%' %\$ ' C dYFU	(329.00)	
23319	Municipal Accounts & Consulting L.P.	%' ' & ' 6cc__Yd]b[ : YyG	(1,467.25)	
23320	Napco Chemical Company, Inc.	%&(\$ ' 7\Ya ]WgGHD	(1,390.00)	
23321	Republic Services #853	%& , ' C dYfUjcbg' GHD	(110.43)	
23322	Richard Ramirez	% +\$) ' G bXfrtA UjbH' h' fi %#! ' ' #&+	(258.75)	
23323	Vogler & Spencer Engineering	%' ) \$ ' 9b[ ]bYf]b[ : YyG	(14,698.38)	
23324	Smith, Murdaugh, Little & Bonham, LLP.	%' ' \$ ' @Y[U: YyG%' ' ' \$ ' @Y[U: YyG! ' 7\U'Yg'rb	(24,824.83)	
23325	Sprint Waste Services, LP	%&* \$ ' G! X[ YF Ya cj U!GHD	(1,824.00)	
23326	Crown Paper and Chemical	%&(\$ ' 7\Ya ]WgGHD	(180.00)	
23327	Houston Chronicle	%%(\$ ' DfYdUjX' 6cbX' -gg LbW' 7cgrg	(649.50)	
23328	NAPA Auto Parts	% +\$& ' Hfi W_ '9I d!A UjbH'	(174.99)	
23329	DXI Industries, Inc.	%%(\$ ' 7\Ya ]Wg! ' K UYF%' %&(\$ ' 7\Ya ]WgGHD	(270.00)	
23330	J Schmitt Concrete	%&- \$ ' A UjbHbLbW/ ' F YdUjfg! ' DUF_	(1,100.00)	
23331	Bank of America Business Card	Upcoming Invoice	0.00	
23332	Consolidated Communications	Upcoming Invoice	0.00	
23333	Entergy	Upcoming Invoice	0.00	

## Cash Flow Report - Checking Account

As of April 28, 2022

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Num	Name	Memo	Amount	Balance
Disbursements				
23334	Lowes	Upcoming Invoice	0.00	
23335	Nova Biologicals, Inc.	Upcoming Invoice	0.00	
23336	TML Intergovernmental Employee Ben. Pool	Upcoming Invoice	0.00	
23337	Centerpoint Energy	Upcoming Invoice	0.00	
23338	Prepared Publications, Inc.	Upcoming Invoice	0.00	
ACH	Milton Garcia	Payroll 03/31/2022	(1,419.16)	
ACH	Taylor A Villagomez	Payroll 03/31/2022	(1,285.50)	
ACH	David P. Bailey	Payroll 03/31/2022	(2,016.82)	
ACH	Richard P. Ramirez	Payroll 03/31/2022	(2,599.44)	
ACH	Milton Garcia	Payroll 04/15/2022	(1,298.26)	
ACH	Taylor A Villagomez	Payroll 04/15/2022	(1,183.28)	
ACH	David P. Bailey	Payroll 04/15/2022	(2,016.82)	
ACH	Richard P. Ramirez	Payroll 04/15/2022	(2,599.46)	
AR	Accounts Receivable	Accounts Receivable - March 2022 EPUD	0.00	
Bnk Chg	First Financial Bank	Bank Fee	(25.00)	
EFTPS	U S Treasury	Payroll Liabilities 3/31/2022 1st Qtr 941	(2,443.86)	
EFTPS	U S Treasury	Payroll Liabilities 4/15/2022 2nd Qtr 941	(2,367.26)	
Svc Chg	First Financial Bank	Bank Charges	(135.63)	
Total Disbursements				(98,993.37)
BALANCE AS OF 04/28/2022				\$499,749.71

# Cash Flow Report - Tax Deposit Account Account

As of April 28, 2022

**59**

Num	Name	Memo	Amount	Balance
	BALANCE AS OF 03/25/2022			\$556,522.61
	Receipts			
	Interest		19.03	
	Tax Revenue - March 2022		896.65	
	Tax Revenue - March 2022		7,402.57	
	Tax Revenue - March 2022		1,797.78	
	Total Receipts			10,116.03
	Disbursements			
	No Disbursements Activity		0.00	
	Total Disbursements			0.00
	BALANCE AS OF 04/28/2022			\$566,638.64

# Cash Flow Report - Online Account Account

As of April 28, 2022

**60**

Num	Name	Memo	Amount	Balance
BALANCE AS OF 03/25/2022				\$17,750.87
Receipts				
	Interest		0.45	
	Accounts Receivable - March 2022		17,003.64	
	Accounts Receivable - March 2022 - DIT		947.98	
Total Receipts				17,952.07
Disbursements				
	No Disbursements Activity		0.00	
Total Disbursements				0.00
BALANCE AS OF 04/28/2022				\$35,702.94

## Actual vs. Budget Comparison

March 2022

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		March 2022			October 2021 - March 2022			Annual
		Actual	Budget	Over/(Under)	Actual	Budget	Over/(Under)	Budget
<b>Revenues</b>								
14110	Water - Customer Service Revenu	19,716	18,000	1,716	134,651	120,000	14,651	279,000
14112	EPUD Revenues	7,748	7,500	248	48,784	38,500	10,284	102,000
14130	Reconnection Fee	1,850	750	1,100	8,950	4,500	4,450	9,000
14150	Tap Connections-Water	0	0	0	900	0	900	1,600
14210	Sewer - Customer Service Fee	33,607	32,000	1,607	207,871	192,000	15,871	384,000
14251	Tap Revenue-Sewer	0	0	0	0	0	0	2,600
14310	Penalties & Interest	1,152	1,000	152	7,543	6,000	1,543	12,000
14311	P&I Maintenance Tax Revenue	897	500	397	3,894	2,100	1,794	6,000
14320	Property Tax Collections	0	0	0	668	0	668	0
14330	Miscellaneous Income	0	0	0	819	0	819	0
14350	Maintenance Tax Collections	9,200	9,000	200	501,776	472,600	29,176	534,508
14360	ST Fee	279	230	49	1,727	1,380	347	2,760
14365	Bank Service Fees	0	0	0	52	0	52	0
14370	Interest Earned on Temp. Invest	85	80	5	201	200	1	1,200
14371	Interest Earned on Checking	24	20	4	93	90	3	240
14380	LSGCD Fees	765	750	15	4,969	4,950	19	12,000
<b>Total Revenues</b>		<b>75,324</b>	<b>69,830</b>	<b>5,494</b>	<b>922,899</b>	<b>842,320</b>	<b>80,579</b>	<b>1,346,908</b>
<b>Expenditures</b>								
16101	Payroll -Water	0	2,250	(2,250)	0	13,500	(13,500)	27,000
16110	Tap Connection Water	0	0	0	1,250	1,600	(350)	1,600
16130	Maintenance & Repairs - Water	0	4,000	(4,000)	13,882	27,000	(13,118)	48,000
16140	Chemicals - Water	170	650	(480)	5,412	6,950	(1,538)	7,800
16150	Laboratory Expense - Water	80	450	(370)	1,440	2,700	(1,260)	5,400
16160	Utilities-WWW	4,911	5,000	(89)	27,793	27,800	(7)	56,000
16162	TCEQ Fees - Water	0	0	0	3,261	2,700	561	6,000
16163	LSGWCD Fees	0	0	0	19,199	19,200	(1)	19,200
16230	Payroll- STP	0	6,150	(6,150)	0	36,900	(36,900)	73,800
16233	Lab Fees STP	495	600	(105)	3,504	3,600	(96)	7,200
16234	Telephone STP	0	60	(60)	56	360	(304)	720
16235	Maintenance & Repair STP	555	5,000	(4,445)	2,569	30,000	(27,431)	60,000
16236	Utilities-STP	4,455	4,500	(45)	25,823	26,200	(377)	48,000
16237	Materials & Supplies -STP	0	0	0	37	0	37	0
16238	Operations- STP	110	125	(15)	736	750	(14)	1,500
16239	TCEQ FEES- STP	0	0	0	3,474	3,600	(126)	3,600
16240	Chemicals STP	3,206	3,500	(294)	8,059	9,750	(1,691)	10,200
16241	Maint & Repair - Sewer	0	5,000	(5,000)	1,716	30,000	(28,284)	59,800
16242	Payroll -Sewer	0	1,500	(1,500)	0	9,000	(9,000)	18,000
16243	Utilities-Sewer	81	100	(19)	476	600	(124)	1,200
16245	Tap Connection - Sewer	0	0	0	6,123	2,600	3,523	2,600
16250	Lab Fees - Sewer-STP	0	0	0	418	0	418	0
16255	Utilities - Joint	23	25	(2)	143	150	(7)	300
16256	Maintenance & Repairs- Joint	0	1,000	(1,000)	0	6,000	(6,000)	12,000
16260	Sludge Removal-STP	1,824	1,950	(126)	11,024	11,700	(676)	23,400
16290	Maintenance & Repairs - Park	1,100	2,500	(1,400)	6,300	12,000	(5,700)	27,000
16300	Payroll- Directors	0	0	0	0	7,000	(7,000)	13,500
16301	Payroll -Admin	0	3,850	(3,850)	0	23,100	(23,100)	46,200
16310	Operations Admin	503	650	(147)	5,826	5,900	(74)	7,800
16313	Utilities-Admin	207	300	(93)	1,264	1,800	(536)	3,600
16314	Maintenance & Repair -Admin	0	500	(500)	178	3,000	(2,822)	6,000
16315	Educational Exp -Admin	0	0	0	200	900	(700)	1,800
16317	Computer Exp-Admin	0	300	(300)	542	1,800	(1,258)	3,600

## Actual vs. Budget Comparison

March 2022

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		March 2022			October 2021 - March 2022			Annual
		Actual	Budget	Over/(Under)	Actual	Budget	Over/(Under)	Budget
Expenditures								
16318	Sundry Exp- Admin	0	50	(50)	0	750	(750)	1,050
16319	Telephone Exp- Admin	396	400	(4)	2,795	2,900	(105)	4,800
16320	Insurance & Surety Bond	0	0	0	26,533	27,000	(467)	27,000
16321	Printing & Office Supplies	1,027	1,100	(73)	2,423	2,900	(477)	3,600
16330	Legal Fees - Other	0	15,000	(15,000)	18	90,000	(89,982)	180,000
16330c	Legal Fees - Charleston	9,602	0	9,602	32,495	0	32,495	0
16330g	Legal Fees - General	7,281	0	7,281	35,906	0	35,906	0
16332	Bookkeeping Fees	1,363	1,900	(538)	14,230	15,800	(1,571)	27,600
16336	Tax Assessor/Collector - Other	0	0	0	397	0	397	0
16336a	MCAD Fees	994	1,000	(6)	1,988	3,000	(1,012)	4,800
16340	Auditing Fees	0	0	0	9,300	10,000	(700)	10,000
16350	Engineering Fees	14,698	15,500	(802)	33,508	34,000	(492)	42,000
16354	Engineering Fees Jubal Drainage	0	0	0	3,489	0	3,489	0
16370	Election Expense	7,942	8,000	(58)	17,706	17,000	706	17,000
16375	AWBD Expense	0	0	0	95	0	95	0
16385	Membership & Dues	30	40	(10)	730	1,080	(350)	1,080
16390	Maintance & Repair - P/C	0	1,100	(1,100)	3,900	5,000	(1,100)	10,000
16391	Payroll-P/C Maint.	0	2,500	(2,500)	0	3,325	(3,325)	6,650
16465	Bank Service Charges	161	165	(4)	1,118	540	578	540
16480	Delivery Expense	0	0	0	121	0	121	0
16490	Maint & Repair - GRP	0	0	0	1,507	1,200	307	1,200
16500	Payroll- GRP	0	100	(100)	0	600	(600)	1,200
16520	Postage	5	400	(395)	22	2,400	(2,378)	4,800
16530	Employee Health Insurance	4,199	5,000	(801)	25,193	30,000	(4,807)	60,000
16531	Dependent Insurance	0	0	0	(1)	0	(1)	0
16540	Travel Expense	11	20	(9)	11	520	(509)	1,500
16560	Miscellaneous Expense	25	0	25	163	0	163	0
16584	Vehicle Expense	0	300	(300)	2,121	2,200	(79)	3,600
16600	Payroll- Maint.	19,051	20,000	(949)	111,928	84,000	27,928	84,000
16610	Maintenance & Supplies-Maint	0	250	(250)	1,147	1,500	(353)	3,000
16615	Maint & Repair-Maint./Storm	0	5,000	(5,000)	6,813	31,000	(24,187)	60,000
16620	Small Tools- Maint	1	100	(99)	76	600	(524)	1,200
16635	TCEQ Fees - Storm	0	0	0	100	400	(300)	400
16700	Mower/Equip Exp.	0	300	(300)	4,802	9,900	(5,098)	11,500
16701	Payroll-TWC/ TAX	1,367	1,700	(333)	8,045	10,500	(2,455)	20,400
16702	Truck Exp-Maint.	0	500	(500)	618	3,000	(2,382)	6,000
16703	Utility Vehicle (Gator)	0	50	(50)	0	300	(300)	600
16704	Backhoe Exp-Maint.	0	600	(600)	0	3,600	(3,600)	7,200
16705	Sundry-Maint.	259	150	109	1,324	1,400	(76)	1,800
16706	Rendition Expense	0	0	0	0	0	0	0
16850	Capital Expense - Other	0	11,500	(11,500)	0	69,000	(69,000)	138,000
Total Expenditures		86,130	142,685	(56,555)	501,324	793,575	(292,251)	1,345,340
Excess Revenues (Expenditures)		(\$10,806)	(\$72,855)	\$62,049	\$421,575	\$48,745	\$372,830	\$1,568

# Cash Flow Report - Checking Account

As of April 28, 2022

**63**

Num	Name	Memo	Amount	Balance
BALANCE AS OF 03/25/2022				\$300.00
Receipts				
	No Receipts Activity		0.00	
Total Receipts				0.00
Disbursements				
	No Disbursements Activity		0.00	
Total Disbursements				0.00
BALANCE AS OF 04/28/2022				\$300.00

# RIVER PLANTATION MUD

## Capital Projects Fund Breakdown

4/28/2022

### Receipts

Series 2022 Park - Bond Proceeds	\$1,675,000.00
Series 2022 - Bond Interest Earnings	24.97

### Disbursements

Disbursements - Series 2020	(1,624,879.08)
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<b>Total Cash Balance</b>	<u><u>\$50,145.89</u></u>
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### Balances by Account

First Financial Bank	300.00
TX Class XXXX-0002	49,845.89
TX Class	-
<b>Cash Balance</b>	<u><u>\$50,145.89</u></u>

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### Balances by Bond Series

Series 2022 Park - Bond Proceeds	\$50,145.89
<b>Total Cash Balance</b>	<u><u>\$50,145.89</u></u>

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### Use of Surplus/Remaining Costs

Series 2022 Park - Remaining Costs	\$54,613.41
Total Remaining Costs	54,613.41
Total Surplus Funds	<u>(4,467.52)</u>
<b>Total Funds</b>	<u><u>\$50,145.89</u></u>



**COST COMPARISON  
RIVER PLANTATION MUD  
SERIES 2022 Park - \$1,675,000.00**

<b>CONSTRUCTION COSTS</b>	<b>USE OF PROCEEDS</b>	<b>ACTUAL COSTS</b>	<b>REMAINING COSTS</b>	<b>VARIANCE OVER/UNDER</b>
Land Acquisition Costs for Former Charleston Course Site	1,398,250.00	1,377,226.00	21,024.00	0.00
<b>TOTAL CONSTRUCTION COSTS</b>	<u>1,398,250.00</u>	<u>1,377,226.00</u>	<u>21,024.00</u>	<u>0.00</u>
Legal Fees	50,250.00	50,250.00	0.00	0.00
Financial Advisory Fees	33,500.00	33,500.00	0.00	0.00
Capitalized Interest	49,621.00	49,620.83	0.00	0.17
Bond Discount	47,374.00	14,216.00	0.00	33,158.00
Bond Issuance Expenses	25,513.00	54,203.95	0.00	(28,690.95)
Bond Application Report	40,000.00	40,000.00	0.00	0.00
Attorney General Fee	1,675.00	1,675.00	0.00	0.00
TCEQ Bond Issuance Fee	4,188.00	4,187.50	0.00	0.50
Contingency	24,629.00	0.00	24,629.00	0.00
<b>TOTAL NONCONSTRUCTION COSTS</b>	<u>276,750.00</u>	<u>247,653.28</u>	<u>0.00</u>	<u>4,467.72</u>
	<u>\$1,675,000.00</u>	<u>\$1,624,879.28</u>	<u>\$50,120.72</u>	<u>\$4,467.72</u>
			Interest	24.97
			Surplus & Interest	4,492.69
			Total Dollars Remaining	\$50,145.89
		\$0.00		

**TOTAL BOND ISSUE**

## Balance Sheet

As of March 31, 2022

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Mar 31, 22

## ASSETS

## Current Assets

## Checking/Savings

%\$\$ '7Uj' j'6Ub_	58,349
%\$ 'HU '8 Ydcgjh5Wzi bh	566,639
%\$) 'C b' j'5Wzi bh	35,703
%(\$ 'DYfm7Uj	200

Total Checking/Savings	660,891
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## Other Current Assets

%\$\$ 'Hja Y'8 Ydcgjh	371,926
%\$ '5Wzi bhgF Wj UY	46,322
%\$ '5Wzi bhgF Wj UY!9DI 8	21,288
%\$ 'A UjbYbLbW HU 'F Wj UY	62,045
%\$ 'bj YbrcfjYg! '7cgh	3,983
%' ) '@Lx'5Xj LbW	511,180
%(\$ 'DFyUjX'6cbX'cgj LbW'7cgrg	650

Total Other Current Assets	1,017,394
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Total Current Assets	1,678,285
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## TOTAL ASSETS

1,678,285
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## LIABILITIES &amp; EQUITY

## Liabilities

## Current Liabilities

## Accounts Payable

%\$\$ '5Wzi bhgDUHUY	56,136
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Total Accounts Payable	56,136
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## Other Current Liabilities

%*%\$ '7i gha Yf'A Yf'8 Ydcgjh	112,143
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%+%' 'I bWUja YX'DfcdYfm	1,086
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%+%' '8 YZffYX'='bZck g	62,045
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Total Other Current Liabilities	175,274
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Total Current Liabilities	231,410
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## Total Liabilities

231,410
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## Equity

%\$\$ 'I bU'cWYX: i bX'6UUbW	1,025,300
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Net Income	421,575
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Total Equity	1,446,875
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## TOTAL LIABILITIES &amp; EQUITY

1,678,285
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River Plantation Municipal Utility District  
**District Debt Service Payments**

04/01/2022 - 04/01/2023

**67**

Paying Agent	Series	Date Due	Date Paid	Principal	Interest	Total Due
Debt Service Payment Due 09/01/2022						
Bank of New York	2022 - Park	09/01/2022		15,000.00	25,962.48	40,962.48
		Total Due 09/01/2022		15,000.00	25,962.48	40,962.48
Debt Service Payment Due 03/01/2023						
Bank of New York	2022 - Park	03/01/2023		0.00	24,615.63	24,615.63
		Total Due 03/01/2023		0.00	24,615.63	24,615.63
		District Total		\$15,000.00	\$50,578.11	\$65,578.11

REPORT OF TAXES COLLECTED

ALL YEARS

CURRENT MONTH OF:

March-22

TAXES TO BE COLLECTED AS OF 03/01/2022	\$	71,561.75
PAYMENTS CURRENT MONTH	\$	(9,516.52)
NEW TAX LEVY FOR 2021 TAX YEAR	\$	-
ADJUSTMENT IN LEVY BY Tammy McRea's Office	\$	-
TOTAL AMT. RECEIVABLE 03/31/2022	<b>\$</b>	<b>62,045.23</b>

<b>TAXES COLLECTED:</b>	BALANCE FORWARD	CURRENT MONTH	YEAR TO DATE
CURRENT YEAR	\$ 489,111.64	\$ 8,353.97	\$ 497,465.61
PRIOR YEAR TAXES	\$ 6,976.15	\$ 1,162.55	\$ 8,138.70
OVERPAYMENTS	\$ -		\$ -
OTHER	\$ -		\$ -
TOTAL TAXES COLLECTED	<b>\$ 496,087.79</b>	<b>\$ 9,516.52</b>	<b>\$ 505,604.31</b>
COST TO COLLECT TAXES	\$ (397.00)	\$ -	\$ (397.00)
OVERPAYMENT P&I	\$ (2,849.59)	\$ (316.17)	\$ (3,165.76)
Rendition/OTHER INCOME:	\$ (0.04)	\$ -	\$ (0.04)
PENALTY & INTEREST	\$ 3,002.95	\$ 896.65	\$ 3,899.60
<b>TOTAL INCOME</b>	<b>\$ 495,844.11</b>	<b>\$ 10,097.00</b>	<b>\$ 505,941.11</b>
<b>DEDUCTIONS:</b>			
APPRAISAL DIST. ADJUSTMENTS	\$ -		\$ -
TOTAL AMT. OF DEDUCTIONS	\$ -	\$ -	\$ -
<b>NET AMOUNT RECEIVED</b>	<b>\$ 495,844.11</b>	<b>\$ 10,097.00</b>	<b>\$ 505,941.11</b>

COMPARISON OF NET TAXES COLLECTED THIS YEAR TO LAST YEAR

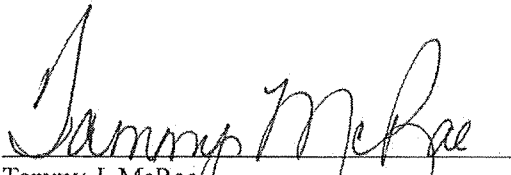
MONTH	LAST YEAR	THIS YEAR	VARIANCE
OCT	\$ 11,046.54	\$ 12,671.56	\$ 1,625.02
NOV	\$ 27,778.99	\$ 35,160.18	\$ 7,381.19
DEC	\$ 254,653.45	\$ 285,285.78	\$ 30,632.33
JAN	\$ 140,700.30	\$ 116,194.08	\$ (24,506.22)
FEB	\$ 35,465.62	\$ 46,532.51	\$ 11,066.89
MAR	\$ 15,631.42	\$ 10,097.00	\$ (5,534.42)
APR	\$ 8,293.29	\$ -	\$ (8,293.29)
MAY	\$ 5,937.18	\$ -	\$ (5,937.18)
JUN	\$ 7,517.00	\$ -	\$ (7,517.00)
JUL	\$ 4,349.52	\$ -	\$ (4,349.52)
AUG	\$ 18,112.93	\$ -	\$ (18,112.93)
SEP	\$ 29.73	\$ -	\$ (29.73)
<b>TOTAL</b>	<b>\$ 529,515.97</b>	<b>\$ 505,941.11</b>	<b>\$ (23,574.86)</b>

**Tammy J. McRae**  
Montgomery County  
Tax Assessor-Collector

Monthly Tax Collection Report  
For the month of March 2022

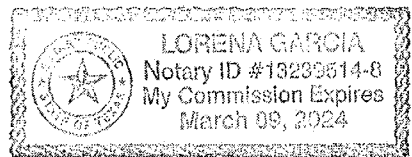
**River Plantation MUD**

	<u>MTD</u>	<u>YTD</u>
2021 Base Tax	\$ 8,353.97	\$ 497,465.61
2021 Penalty & Interest	494.51	1,438.87
Prior Years Base Tax	1,162.55	8,138.70
Prior Years Penalty & Interest	402.14	2,460.73
Reversals (Refunds, Returned Items, Transfers)	(316.17)	(3,165.76)
Collection Fee	-	(397.00)
5% Rendition Fee	-	(0.04)
 Total Collections	 <u>\$ 10,097.00</u>	 <u>\$ 505,941.11</u>

  
\_\_\_\_\_  
Tammy J. McRae  
Montgomery County Tax Assessor-Collector

Sworn to and subscribed before me on the 5<sup>th</sup> day of April, 2022.

  
\_\_\_\_\_  
Notary Public in and for the State of Texas



TAX COLLECTION SYSTEM  
DEPOSIT DISTRIBUTION  
INCLUDES AG ROLLBACK

3983747  
04/01/2022 01:43:47  
TC298-D SELECTION: DEPOSIT  
FROM: 03/01/2022 THRU 03/31/2022  
RECEIPT DATE: ALL  
JURISDICTION: 0412 RIVER PLANTATION MUD  
LOCATION: ALL

YEAR	FUND	TAX RATE	LEVY PAID	DISCOUNT GIVEN	PENALTY INTEREST	TIF AMOUNT	DISBURSE TOTAL	ATTORNEY FEES	REFUND AMOUNT	PAYMENT AMOUNT
2021	M & O	.316000	8,237.05	.00	494.51	.00	8,731.56	.00	.00	8,731.56
	I & S	.000000	.00	.00	.00	.00	.00	.00	.00	.00
	TOTAL	.316000	8,237.05	.00	494.51	.00	8,731.56	.00	.00	8,731.56
2020	M & O	.322300	447.88	.00	135.78	.00	583.66	132.25	.00	715.91
	I & S	.000000	.00	.00	.00	.00	.00	.00	.00	.00
	TOTAL	.322300	447.88	.00	135.78	.00	583.66	132.25	.00	715.91
2019	M & O	.320000	179.73	.00	98.50	.00	278.23	71.65	.00	349.88
	I & S	.000000	.00	.00	.00	.00	.00	.00	.00	.00
	TOTAL	.320000	179.73	.00	98.50	.00	278.23	71.65	.00	349.88
2018	M & O	.320000	335.69	.00	167.86	.00	503.55	100.72	.00	604.27
	I & S	.000000	.00	.00	.00	.00	.00	.00	.00	.00
	TOTAL	.320000	335.69	.00	167.86	.00	503.55	100.72	.00	604.27
ALL	M & O		9,200.35	.00	896.65	.00	10,097.00	304.62	.00	10,401.62
ALL	I & S		.00	.00	.00	.00	.00	.00	.00	.00
ALL	TOTAL		9,200.35	.00	896.65	.00	10,097.00	304.62	.00	10,401.62
DLQ	M & O		963.30	.00	402.14	.00	1,365.44	304.62	.00	1,670.06
DLQ	I & S		.00	.00	.00	.00	.00	.00	.00	.00
DLQ	TOTAL		963.30	.00	402.14	.00	1,365.44	304.62	.00	1,670.06
CURR	M & O		8,237.05	.00	494.51	.00	8,731.56	.00	.00	8,731.56
CURR	I & S		.00	.00	.00	.00	.00	.00	.00	.00
CURR	TOTAL		8,237.05	.00	494.51	.00	8,731.56	.00	.00	8,731.56

FISCAL START: 10/01/2021 END: 09/30/2022 JURISDICTION: 0412 RIVER PLANTATION MUD

CURRENT YEAR	CERT TAXABLE VALUE	ADJUSTMENTS	ADJ TAX VALUE	TAX RATE	TAX LEVY	PAID ACCTS
	160,283,701	8,534,218	168,817,919	00.315000	533,467.97	1,156

YEAR	TAXES DUE	MONTH ADJ	ADJUSTMENT YTD	LEVY PAID	PAID YTD	BALANCE	COLL %	YTD UNCOLL
2021	506,536.11	116.92-	26,931.86	8,237.05	495,957.83	37,510.14	92.97	0.00
2020	14,158.53	119.25-	2,098.91-	447.88	3,234.70	8,824.92	26.82	0.00
2019	7,515.69	80.00-	486.62-	179.73	1,867.28	5,161.79	26.57	0.00
2018	5,912.51	.00	.00	335.69	1,383.28	4,529.23	23.40	0.00
2017	2,742.40	.00	.00	.00	.00	2,742.40	.00	0.00
2016	1,311.97	.00	.00	.00	.00	1,311.19	.06	0.00
2015	713.87	.00	.00	.00	.00	713.87	.00	0.00
2014	354.63	.00	.00	.00	.00	354.63	.00	0.00
2013	332.97	.00	.00	.00	.00	332.97	.00	0.00
2012	63.24	.00	.00	.00	.00	63.24	.00	0.00
2011	66.47	.00	.00	.00	.00	66.44	.00	0.00
2010	61.28	.00	.00	.00	.00	61.28	.00	0.00
2009	61.28	.00	.00	.00	.00	61.28	.00	0.00
2008	61.48	.00	.00	.00	.00	61.48	.00	0.00
2007	62.36	.00	.00	.00	.00	62.36	.00	0.00
2006	13.54	.00	.00	.00	.00	13.54	.00	0.00
2005	18.02	.00	.00	.00	.00	18.02	.00	0.00
2004	19.24	.00	.00	.00	.00	19.24	.00	0.00
2003	67.70	.00	.00	.00	.00	67.70	.00	0.00
2002	69.51	.00	.00	.00	.00	69.51	.00	0.00
2001	74.08	.00	74.08-	.00	.00	0.00	.00	0.00
2000	0.00	.00	.00	.00	.00	0.00	.00	0.00
***	540,216.88	316.17-	24,272.22	9,200.35	502,443.87	62,045.23		0.00

**RIVER PLANTATION MUNICIPAL UTILITY DISTRICT  
ENGINEER'S REPORT  
VSE Project No. 32000-000-0-DST  
April 28, 2021, 6:30 p.m.**

**Engineering Representative:** Taylor J. Reed, P.E.

**Directors:** Julie Gilmer, President  
Tim Goodman, Vice President  
Mark Robin, 2<sup>nd</sup> Vice President, Assistant Secretary  
Tom Vandever, Treasurer

**8. Items for Discussion:**

**I. Permits**

- A. WWTF Discharge Permit Renewal (Expires September 2023)**
- B. Storm Water Quality Management Plan – MS4 Permit (Expires January 2024)**
  - a. Next annual report due 3/31/2023

**II. Design Projects**

- A. East Ditch FEMA Work**
  - a. Going through all of the paperwork to have me be the direct contact for FEMA.
- B. Holly Springs Drainage**
  - a. No update
- C. Sanitary Sewer Clean & Televis Phase 1**
  - a. We have contracts here tonight for signatures. All reference checked out and we will be proceeding with the low bidder, Pro Pipe.
- D. Storm Sewer Clean & Televis Phase 1**
  - a. Project was switched to a public bid and will be opened on May 6<sup>th</sup> and presented at the May meeting.

**III. Construction Projects**

*No current construction projects*



**IV. Other Matters**

**A. WS&D Bond Application No. 9**

- a. BAR Completed and has been submitted to the TCEQ. DAC Received 3/7/2022. Memo & Consent received 4/15/2022.

**B. 10-Year Capital Improvements Plan**

- a. Update as necessary.

**V. Questions/Answers**

**PROFESSIONAL SERVICES AGREEMENT**

**GENERAL WATER DISTRIBUTION, SEWER COLLECTION SYSTEM AND  
CUSTOMER BILLING AND COLLECTION SERVICES**

THIS AGREEMENT is entered into effective \_\_\_\_\_, 2022, by and between **RIVER PLANTATION MUNICIPAL UTILITY DISTRICT** a conservation and reclamation district created and operating under and governed by the provisions of chapters 49 and 54 of the Texas Water Code, as amended, and Section 59 of Article 16, of the Texas Constitution, acting by and through its duly authorized officers (hereinafter sometimes referred to as the “District”) and **MUNICIPAL OPERATIONS & CONSULTING, LLC**, a Texas corporation having its principal place of business at 27613 Spectrum Way, Oak Ridge, Texas 77385 (hereinafter sometimes referred to as the “Operator”).

WHEREAS, District presently owns (or will own) a water distribution and sanitary sewer collection system, and drainage facilities located on property or in easements dedicated to the District or to be acquired by the District (collectively, the “Facilities”); and

WHEREAS, District wishes to obtain services for the operation, maintenance, and management of its Facilities which are located in MONTGOMERY COUNTY, TEXAS; and

WHEREAS, Operator is willing to render such services to the extent and in manner hereinafter provided;

NOW THEREFORE, THIS AGREEMENT WITNESSETH, that

For and in consideration of the mutual undertakings herein contained, District and Operator agree as follows:

**I.**

**1.01– GENERAL**

Operator hereby agrees to operate, maintain, and manage the Facilities under this Agreement beginning \_\_\_\_\_, 2022 and continuing during the term hereof as hereinafter defined on the terms and conditions stated herein. Operator shall be considered an independent contractor and not an employee under this Agreement.

## **1.02- DEFINITIONS**

As used herein, the following terms shall have meanings as follows:

- A. “OPERATION” or “OPERATE” (regardless of whether or not such term is capitalized) shall consist of furnishing all of the necessary personnel, services, tools, equipment, materials, supplies and transportation in order to provide efficient operation of the Facilities. Operation shall include, but shall not be limited to, providing the necessary service in (1) the efficient distribution of water from the water plant serving the District through its water distribution system, and (2) the efficient collection and movement of normal domestic and commercial sewage discharged into the District’s sewage collection system.
- B. “MAINTENANCE” or “MAINTAIN” (regardless of whether or not such term is capitalized) shall consist of cleaning, lubricating and adjusting equipment necessitated by operation and will include replacement or repair, when needed of those parts of equipment or other components, which are expected to require replacement or repair in the operation of facilities of the type, which constitutes the Facilities. The engineer will compile as built plans, and operations and maintenance manuals. Once presented these documents, the operator will operate and maintain equipment according to manufacturer’s recommendations and the O&M manuals.
- C. “FACILITIES” shall consist of the following:
  - 1. Water supply plants
  - 2. Water distribution, sanitary sewer collection and drainage systems
  - 3. Sanitary sewer lift stations
- D. “DISTRICT’S REPRESENTATIVE” shall mean the District’s Engineer or any individual designated by the Board of Directors of the District, or in the absence of such designation, the President of the Board of Directors of the District.
- E. “OPERATION AND MAINTENANCE MANUAL” or “O & M MANUAL” shall include the following:
  - 1. Available manufacturers’ manuals prepared for all equipment used in connection with the Facilities and such other written lubrication schedules with change dates, maintenance schedules, and machinery specifications as are necessary for the proper operation and maintenance of the Facilities;
  - 2. A list of inventory items to be used for minor and emergency repairs for each of the Facilities;

3. A written operating log containing a daily record, notations regarding the use of all supplies and all repairs or replacements performed; and
  4. Such other matters within the scope of the Operator's work which the District may reasonably request.
- F. "EXPENDABLE SUPPLIES" shall mean lubricants, packing, charts, cleaning agents, chemicals, chlorine, office supplies, and all other similar nondurable items, which do not become affixed to the Facilities.
- G. "BASIC SERVICES" shall mean those routine operation and maintenance functions specified in Section 2.01 of this Agreement.
- H. "ROUTINE REPAIR AND REPLACEMENT" shall mean the labor, tools and transportation required for the repairs, replacement and adjustment of those parts or equipment, which are expected to require replacement or repair in the normal operation of facilities of the type which constitute the Facilities. Said definition shall also mean such repair and replacement necessitated in the performance of duties prescribed by the O & M Manual. "Routine Repair and Replacement" shall not include repair or replacement of Facilities damaged by third parties, obsolescence, or other factors not within Operator's control.
- I. "EXTRAODINARY REPAIR AND REPLACEMENT" shall mean labor, tools and transportation not defined as "Routine Repair and Replacement."

## II.

### SCOPE OF WORK

#### 2.01 BASIC SERVICES

During the term of this Agreement, Operator shall perform the following Basic Services:

##### A. GENERAL

1. Operate and maintain the Facilities in a proper and workmanlike manner. Operator agrees to operate and maintain the Facilities in accordance with all applicable laws, permits, rules and regulations.
2. Check total chlorine and monochloramine residuals levels and residuals at designated locations in the distribution system and proper total chlorine residuals throughout the distribution system, including flushing and collecting and reporting daily distribution chlorine residuals. Note: Does not include performing unidirectional flushing per a District approved unidirectional flushing plan if approved by the District.

3. Operate and Maintain the Facilities in accordance with the O & M Manual.
4. Maintain plans of the District's Facilities.
5. Arrange for and supervise all testing required by all regulatory agencies and applicable laws, permits and regulations and shall arrange for any regularly scheduled reports as required by any regulatory agencies and any applicable laws, permits and regulations.
6. Ensure that the Operator assigned to the District's Facilities shall be licensed by the appropriate United States and/or State of Texas governmental regulatory agencies.
7. Render a condensed monthly operating report to the District which shall include at least the following information:
  - a) Any abnormal change in condition of District's equipment, necessary repairs and any recommendations as to the repair or replacement of such equipment;
  - b) Any damage to the Facilities and the possible causes thereof, including any insurance claims filed on behalf of District. In instances where the damage may be attributable to any contractor, builder, corporation, utility company or other person, Operator shall back charge the party responsible for such damage and report it to the District;
  - c) The number of gallons of water billed to District's customers, along with the numbers of gallons for flushing and leaks in the District, which amounts shall be segregated by source of the water supply as appropriate;
  - d) The number of taps performed during the reporting period and total number of service connections;
  - e) The sum of money received on water and sewer service accounts, tap fees, back charge collections, deposits, inspection fees, other receivable income and such other information as would provide District with the current status of its financial condition;
  - f) A report on whether any proposed or final utility service disconnections, customer statements or delinquencies in payment have been protested and appealed to District by District's customers;
  - g) A report on whether all water and sewer connections to the Facilities have been installed in accordance with any standard diagram furnished by the District's Engineer, and in compliance with the District's rules and regulations governing the particular type of work involved; and
  - h) Copies of monthly testing reports, if requested by the District, and correspondence to or from regulatory authorities, if appropriate.

8. Maintain a twenty-four (24) hour telephone answering service.
9. Promptly notify District's Representative of any condition known to Operator, which adversely affects the quality of water supply, wastewater collection or treatment, drainage or District's compliance with all current permits or regulations.
10. Render District all reasonable assistance in the promotion of good relations with District's customers (as a provider of water and sewer services to District).
11. Flush the District's water distribution system as required by Texas Administration Code §290.461. Areas flushed will be reported at the District's meetings. Maintain flushing valves.
12. Routinely order and arrange for delivery of inventory items listed in the O & M Manual, expendable supplies, and other necessary supplies.
13. Provide mowing contractor access to the District's properties for mowing. Operator will confirm mowing was satisfactorily completed.
14. Provide a representative to attend District meetings; said representative shall be familiar with the operations in District.
15. Provide operations and maintenance cost data to District Bookkeeper for use in budget comparison.
16. Maintain such information and reports as may be required for audit of District's accounts and shall make same available to District's auditor during regular business hours.
17. Submit a written status report of the District's flushing valves to District and any fire department designated by District.
18. Perform an ongoing manhole inspection program. This inspection shall include a visual inspection of the top of the manhole and the surrounding area (for depressions) and a visual inspection of the inside of the manhole as accessible from the top. Each manhole will be inspected on an as needed basis with subsequent reports to District. Operator shall be compensated for such inspections.
19. Inspect each water distribution valve on an as needed basis with subsequent reports submitted to the District. This inspection shall include a visual inspection of the valve riser and cap as well as the utilization of a valve key to check valve operating nut accessibility and operability. Operator shall be compensated for such inspections.
20. Test and lubricate hydrants as needed. Operator shall be compensated for such inspections in accordance with Attachment "A".

21. Upon the request of District, inspect and maintain any and all District drainage facilities.

**B. WATER DISTRIBUTION, SANITARY SEWER COLLECTION SYSTEMS**

1. Operator shall be responsible for the installation of water taps, setting meters and meter boxes, the minor adjustment of meter boxes, reading water meters, the billing and collecting of tap fees, sewer inspection fees, deposits, water and sewer service charges and back charges, all in accordance with the District's Rate Order, as amended from time to time. (Operator shall be compensated for said work according to rate schedule included as Attachment "A".) Operator shall provide all the necessary personnel in order to read meters, mail statements to customers, collect and deposit revenues and provide customary accounting and office services. Operator shall cause all water taps to be made in accordance with a plat map or other written instructions from the District's Engineer.
2. Operator shall perform or cause to be performed a daily, weekly, monthly and yearly routine and preventive maintenance program as required to keep the Facilities operational and in compliance with the regulatory authorities.
3. Operator shall at least monthly, patrol District in order to observe and take corrective action regarding leaks, defects, damaged and missing equipment. Operator shall establish an inspection program in order to examine each sanitary manhole and each water main valve. Minor repairs or debris removal shall be performed immediately.
4. Operator shall report all damages to the Facilities. In the event that, in the Operator's opinion, foreseeable damage could occur, Operator shall report such opinion to District Representative immediately and shall attempt to comply with the District's policy governing control of damages to Facilities and to prevent others from causing additional damage. In those instances in which damage is discovered, Operator shall diligently attempt to ascertain the causes therefore and report it in the monthly report.

**2.02 – REPAIR OR REPLACEMENT: EMERGENCY RESPONSE**

Operator shall provide Routine Repair or Replacement when necessary. Operator shall provide Extraordinary Repair and Replacement when necessary, provided that Operator shall obtain advance approval of District's Representative before providing any parts, equipment or extraordinary repair or replacement with an estimated repair cost of over \$2,500.00, and Operator shall be additionally compensated therefore in accordance with Section 3.04, herein.

In the event that a repair or replacement is urgently necessary to prevent damage to life or property, or for concerns related to public health, and if the Operator has diligently attempted to contact the District's Representative in advance, the Operator shall cause such repairs to be performed at once. Such repairs or replacement and the charges for parts and equipment so utilized shall be at the

District's expense. Prior authorization shall not be necessary, provided that the Operator shall use its best efforts to minimize the cost thereof and provided that the Operator contacts the District's Representative at the earliest possible opportunity thereafter.

Operator shall maintain personnel and equipment for emergency response twenty-four (24) hours per day, seven (7) 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, responding to insistent resident concerns when related to water quality, blockage in the sewer collection system, or any response requested by District or its representative.

### **2.03– SPECIAL SERVICES**

In addition to basic services, Operator may be requested from time to time to perform special services such as conducting inventories and preparing reports in addition to reports required by various regulatory agencies and any other special services requested by District or any of the District's other consultants. Special service shall be at District's expense based on estimates received from Operator and approved by District.

District's Engineer may request that certain additional operation and maintenance procedures be followed in addition to the O & M Manual. From time to time, the District's Engineer shall prepare any and all suggested O & M Manual material which he shall deem necessary for the proper operation and maintenance of the facilities and shall submit same to District and Operator. Thereupon, Operator shall calculate any additional cost of compliance with said material and shall present same to District for approval.

### **2.04 – MODIFICATIONS TO DISTRICT FACILITIES**

District will provide Operator written notice of additions, deletions or other modifications to the Facilities, which are not proposed to be made by the Operator. In the event any such modification amounts to substantial change in the type or extent of the Facilities or would materially increase Operator's cost in performing its obligations hereunder, Operator shall provide District with written notice of the additional costs of operation and maintenance resulting from the proposed modification; and if efforts to renegotiate this Agreement to absorb any additional operating cost are not successful, either party may terminate this Agreement upon thirty (30) days advance written notice.

### **2.05 – DISTRICT'S RESPONSIBILITIES**

The payment for cost of all supplies, electricity, gas and other utility services utilized in connection with the operation and maintenance of the Facilities and all modifications, extensions, expansions or structural changes to the Facilities shall be the direct responsibility of the District.



### III.

#### COMPENSATION TO OPERATOR

##### 3.01– COMPENSATION TO OPERATOR

Operator shall receive compensation for performance of Basic Services and its duty to operate and maintain the Facilities in a proper and workmanlike manner, in accordance with Attachment “A”, attached hereto. Any rate increases shall be effective only after approval by District.

##### 3.02 – COMPENSATION POLICIES

The compensation to be paid to Operator herein is exclusive of any tax, assessment, regulatory expense or other charge which may be imposed by any governmental authority upon District and paid by Operator as a result of performing its obligations pursuant to the Agreement other than taxes upon the purchase of material, supplies, and parts. In the event Operator is required by applicable law or regulation to pay or collect any such tax, assessment, regulatory expense or other charge on account of this Agreement or its performance hereunder, then the amount thereof shall be reimbursed to Operator by District (in addition to the compensation provided hereinabove) at the next monthly meeting of District. It is understood however, that the Operator shall be responsible at its own expense for all corporate income and franchise taxes arising out of its operations, and regulations with respect to or measured by the compensation (wage, salary or other) paid to employees of Operator and its subcontractors for work covered by this Agreement, including, but not by way of limitation, taxes or contributions for annuities, and disability insurance. **Operator shall defend, indemnify and hold District harmless from any liability for any and all such taxes or contribution or interest or penalties for failure to pay it.**

##### 3.03 – BILLING AND PAYMENT

Unless otherwise agreed upon in writing during the initial or any renewal terms of this Agreement, Operator will submit prior to District’s regularly scheduled meeting, a statement to District’s bookkeeper or District’s Representative reflecting charges for the previous billing period in accordance with this Agreement. Said statement shall include an itemization of all amounts requested for payment during the billing period, with supplementary invoices attached thereto, if requested by the District. Said statement or said invoices shall include the date, price and description of all items purchased and the rate per category and description of the nature of all labor and equipment utilized. If the statement is approved by the District’s Representative or District, then such statement shall be due and payable forty-five (45) days after the date of said meeting; provided, however, that any such notification shall not preclude the withholding of approval of any additional items by the Board of Directors of District at said meeting. In the event District’s Representative withholds approval on any item or items in the statement, the District’s Representative shall notify Operator at least one day in advance of said meeting. Any dispute involving payment of any item or items on the statement shall be resolved by District, subject to any legal or equitable remedy available to Operator. Payment of said item or items by District shall not be unreasonably withheld. Operator however shall be entitled to payment of the balance of

said statement in the event that payment of any item or items in the statement are withheld pending resolution of a dispute. If the District fails to make payment under this Agreement to the Operator of any undisputed sum named in any partial or final statement, when the payment is due and has not been lawfully contested by District, District shall pay to the Operator in addition to the undisputed sum shown as due by such statement, interest thereon at a rate which is the lesser of fifteen percent (15%) per annum or the maximum rate allowed by law, accruing from the 46<sup>th</sup> day following the District's meeting until fully paid. Interest shall not accrue on any disputed sum(s) unless said sum(s) remain unpaid for more than forty-five (45) days following resolution of dispute.

Maintenance and operation expenses attributable to components of the Facilities which are owned or shared by District and other parties ("joint facilities") shall be identified as such on Operator's records and shall be separated from other statements presented to District for payment.

All materials and supplies purchased by the Operator are purchased on behalf of the District and are labeled as the District's property. The title to the purchased materials and supplies passes to the District before such goods are used.

### **3.04 – ADDITIONAL COMPENSATION**

In addition to the compensation provided for Basic Services herein Operator shall receive the additional compensation specified in this section 3.04. Operator shall not be additionally compensated for providing Basic Services, except as provided below. No overhead reimbursements or markups shall be paid by District except as provided below. District shall not be obligated to pay charges in excess of rates listed in Operator's Rate Schedule, except in emergency cases specified in Section 2.02 herein. Operator shall receive the following additional compensation:

- A. For performance of Extraordinary Repair and Replacement specified in section 2.02 herein. Unless specifically noted otherwise, all labor required for the performance of duties listed shall be considered Routine Repair and Replacement;
- B. For purchase of inventory items, expendable supplies, chemicals, parts, equipment or other replacement components of the Facilities, whether installed, repaired or replaced as Routine or Extraordinary Repairs and Replacements. District shall pay Operator invoice amount plus a ten percent (10%) markup.
- C. For performance of special services as specified in Section 2.03, herein;
- D. For the cost of all testing required by all controlling agencies and applicable laws, permits and regulations as specified in Section 2.01 A, (3), herein;
- E. For any requested site maintenance, including mowing;

- F. For payment of subcontractors' invoices by Operator, District shall pay Operator the subcontractors' invoice fees plus ten percent (10%), subject to the provisions of Section 4.02 (C), herein;
- G. For any fees or assessments associated with the filing of any applicable regulatory requirements; and
- H. For any reports or filings not currently required as of the effective date of this Agreement.

### **3.05 – CUSTOMER BILLING AND COLLECTION**

- A. The Operator's billing and collection service shall insure that all funds of District are kept separate and deposited to the District's bank account at least weekly. The Operator shall pursue all delinquent accounts, including the forwarding of delinquent notices, as prescribed by the District Rate Order.
- B. Operator recognizes that all sums of money which it collects on behalf of District for water and wastewater services are public funds and may be pledged to the payment of debts of the District, and Operator agrees that all such moneys shall be deposited as provided herein in the named account without set-off, counter-claim, abatement or diminution.
- C. Operator shall read all meters connected to the District's waterworks system once each month, and will provide monthly billing and collecting service to District for water and sewer service charged to customers of District's waterworks and sanitary sewer systems. Operator agrees to provide such monthly billing service within fifteen (15) days following the completion of the meter-reading period. Monthly bills shall include the date the meter was read. District agrees that Operator may make reasonable adjustments to billings for over and under registration of water meters, for underground leaks, for establishment of water use by customers when water meters have been inoperative, or for an obviously incorrect water meter reading recorded, to obtain the adjusted billing of water and sewer service charges.

## **IV.**

### **INSURANCE AND INDEMNIFICATION**

#### **4.01– INSURANCE AND INDEMNIFICATION**

Upon execution of this Agreement, Operator will furnish District with Certificates of insurance in a company or companies satisfactory to District, evidencing:

- A. Workers Compensation (statutory amount)

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

- |    |                   |  |
|----|-------------------|--|
| 1. | General Liability | \$1,000,000/ person<br>\$1,000,000/ occurrence<br>\$2,000,000/ aggregate |
| 2. | Business Auto     | \$1,000,000/ occurrence  |
| 3. | Umbrella          | \$4,000,000/ aggregate   |

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

#### **4.02- INDEMNIFICATION**

- A. OPERATOR SHALL INDEMNIFY THE DISTRICT AND HOLD THE DISTRICT AND ITS BOARD MEMBERS, REPRESENTATIVES, CONSULTANTS (OTHER THAN OPERATOR) AND AGENTS (COLLECTIVELY THE “DISTRICT INDEMNITEES”) HARMLESS FROM AND AGAINST CLAIMS, CAUSES OF ACTION, LOSSES, DAMAGES, SUITS, JUDGEMENTS, AND LIABILITY OF EVERY KIND OF CHARACTER, WHETHER IN CONTRACT, TORT OR OTHERWISE, INCLUDING ALL COSTS, ATTORNEYS’ FEES, AND COURT COSTS, WHICH ARE CAUSED BY, ASSOCIATED WITH OR ARISE OUT OF THE INTENTIONAL, WILLFUL, RECKLESS OR NEGLIGENT (WHETHER ACTIVE, PASSIVE OR GROSS) ACTS OF OPERATOR, ITS EMPLOYEES, OFFICERS, AGENTS OR SUBCONTRACTORS, ARISING UNDER THIS AGREEMENT.**
- B. ADDITIONALLY, OPERATOR SHALL INDEMNIFY THE DISTRICT INDEMNITEES FROM ANY AND ALL LIABILITY, LOSS OR DAMAGE THAT ANYONE OR MORE OF DISTRICT INDEMNITEES MAY SUFFER AS A RESULT OF CLAIMS, DEMANDS, COSTS OR JUDGEMENTS AGAINST SUCH DISTRICT INDEMNITEE ARISING OUT OF THE FAILURE OF OPERATOR, ITS EMPLOYEES, OFFICERS OR AGENTS, OR ANY SUBCONTRACTOR OF OPERATOR TO CONFORM TO THE STATUTES, ORDINANCES OR OTHER REGULATIONS OR REQUIREMENTS OF ANY GOVERNMENTAL AUTHORITY IN CONNECTION WITH OPERATOR’S OPERATION OF THE DISTRICT’S FACILITIES UNDER THIS AGREEMENT, UNLESS THE FAILURE TO CONFORM TO SUCH STATUTE, ORDINANCE, REGULATION OR REQUIREMENT WAS A DIRECT RESULT OF OPERATOR FOLLOWING THE EXPRESSED INSTRUCTION OF THE BOARD OF**

**DIRECTORS OF THE DISTRICT. OPERATOR'S REQUIREMENT TO INDEMNIFY THE DISTRICT INDEMNITEES IN THIS SECTION 4.02(B) SHALL NOT APPLY TO ANY DISTRICT INDEMNITEE USED BY THE DISTRICT TO DESIGN, BUILD OR OPERATE THE DISTRICT'S FACILITIES AND UTILITY SYSTEM TO THE EXTENT OPERATOR'S FAILURE WAS A DIRECT RESULT OF THE NEGLIGENT ACT OR OMISSION OF SUCH DISTRICT INDEMNITEE.**

- C. Operator may subcontract such of its work hereunder as may, in Operator's opinion, be desirable, subject to the District's rights as set forth below. However, such subcontracting shall not relieve Operator of any of its obligations or liabilities hereunder, and subcontractors shall be considered to be employees of Operator with operator retaining responsibility for such Subcontractors' performance. Subcontractors or suppliers employed or utilized by Operator shall have no recourse against District for any services rendered or charges incurred on behalf of Operator and **OPERATOR SHALL INDEMNIFY AND HOLD DISTRICT HARMLESS FOR ANY CLAIMS, ATTORNEY'S FEES AND COURT COSTS INCURRED AS A RESULT OF CLAIMS MADE BY SUCH SUBCONTRACTORS OR SUPPLIERS.** The District reserves the right to directly employ Subcontractors for certain operation and and/or maintenance services. In such instance, Operator shall receive no compensation pursuant to Section 3.04 (F) herein and shall not be responsible for services rendered by Subcontractor.
- D. Operator agrees to exercise reasonable diligence and good business practices in the operation and maintenance of the Facilities. Operator will be liable for any direct or indirect loss, injury or damages resulting from the diminution or interruption of service within the Facilities and utility system that is caused by or results from either directly or indirectly, the improper or inadequate operation of the Facilities by Operator, or the intentional, willful, reckless, or negligent acts, omissions or other operations by Operator, or its employees, representatives, agents or subcontractors. However, it is understood and agreed that Operator is not otherwise responsible for the adequacy or quality of the water supply provided or the failure of the Facilities to meet state or federal standards.

## V.

### **TERM AND TERMINATION**

#### **5.01 – TERM AND TERMINATION**

This Agreement shall be and remain in effect for a period of one (1) year and shall continue thereafter from year to year, subject, however, to termination by either party hereto at any time, without cause, by providing thirty (30) days advance written notice to the other party. Provided, however, that either party may terminate this Agreement immediately for substantial failure to

perform upon giving written notice to the other party of such failure to perform and the allowance of a reasonable period (appropriate to the circumstances) for curing such nonperformance. In the event this Agreement is terminated, all billing cards, meter reading records, billing and collections forms, and any other forms or materials pertaining to the billing and collection of accounts of any customer of District shall be furnished by Operator to District without any additional costs to District. In the event of termination, District shall pay Operator compensation pursuant to this Agreement up to the date of termination (prorated for less than a full month, if necessary) and any unpaid expenses of Operator incurred pursuant to this Agreement. It is further understood by both parties hereto that any action or decision by any government unit or agency which has any material effect upon the requirements of this Agreement, in part or in total, may be cause for immediate renegotiation of this Agreement.

## VI.

### MISCELLANEOUS

#### 6.01 – DISTRICT’S REPRESENTATIONS

District represents that the Facilities (to the extent they exist as of the date of this Agreement) are in good working order, do not contain any known defective equipment, and are suitable and adequate for the normal needs of its present customers and expected additional customers during the term of this Agreement.

#### 6.02 - INDUSTRIAL AND HAZARDOUS WATES

Recognizing that the control of industrial and hazardous wastes discharging into the sanitary sewer collections system of the District is of vital importance, each party agrees to notify the other and the District’s Engineer when knowledge of such discharge or contemplated discharge is discovered.

#### 6.03 – SPECIFICATIONS AND WARRANTIES

District reserves the right to select and prescribe specifications and standards for all materials and equipment to be used by Operator in the performance of services and obligations pursuant to this Agreement. Operator shall use good judgment with respect to said replacement equipment and shall not be responsible to District for any guarantee or warranty in connection with said equipment. Operator shall exert reasonable efforts to obtain the normal warranties or guarantees applicable in the particular industry and shall assign the same to the District.

#### 6.04 – FORCE MAJEURE

In the event that either party is rendered unable, wholly or in part, by act of God, war, earthquake, fire, strike, civil commotion, epidemic, act of government, its agencies or offices, or any other cause beyond the control of the parties (“Force Majeure”) to carry out its obligations under this Agreement, it is agreed that either party shall give notice and full particulars of such Force Majeure

to the other party in writing as soon as possible after the occurrence of the cause relied on and shall thereby be relieved of its obligations, so far as they are effected by such Force Majeure, during the continuance of any inability so caused, but for no longer period.

#### **6.05 – ASSIGNABILITY**

Neither party may assign this Agreement or its interest herein without prior written consent of the other, provided that Operator may assign any moneys due from the District hereunder to a third party.

#### **6.06 – H.B. No. 89 VERIFICATION**

As required by Chapter 2270, Texas Government Code, Operator hereby verifies that Operator, including a wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the same, does not boycott Israel and will not boycott Israel through the term of this Agreement. The term “boycott Israel” in this paragraph has the meaning assigned to such term in Section 808.001 of the Texas Government Code, as amended.

Pursuant to Chapter 2252, Texas Government Code, Operator represents and certifies that, at the time of execution of this Agreement neither Operator, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the same, is a company listed by the Texas Comptroller of Public Accounts under Sections 2270.0201 or 2252.153 of the Texas Government Code.

#### **6.07 – MODIFICATION**

No alteration or modification of this Agreement shall be made except by a writing duly signed by the parties hereto.

#### **6.08 – RECORDS**

Operator and the District each acknowledge that the requirements of Chapter 552, Texas Government Code, as amended (The “Local Government Records Act”), and Chapters 201-205, Texas Local Government Code, as amended (the “Local Government Records Act”, and together with the Public Information Act, the “Acts”), each apply to all public information, as defined by the Public Information Act, and all local government records, as defined by the Local Government Records Act, related to the relationship between Operator and the District, and to any work carried out thereunder. Operator hereby covenants that it will comply with all requirements of the Acts related to public information of the District.

#### **6.09 – INDEPENDENT CONTRACTOR: GOVERNING LAW**

Operator is not an employee or subcontractor of District, but serves District as an independent contractor. This Agreement shall be governed by the laws of the State of Texas.

**6.10 – NOTICE**

Whenever under the provisions of this Agreement notice is required to be given, such notice shall be given in writing by registered or certified mail and addressed to the party for whom intended at its' then address of record, and such notices shall be deemed to have been given when the notice is received as evidenced by a signed receipt. The initial addresses of the parties, which may be changed by notifying the respective other party, are as follows:

**DISTRICT**

River Plantation Municipal Utility District  
c/o: Smith Murdaugh Little & Bonham  
2727 Allen Parkway #1100  
Houston, Texas 77019

**OPERATOR**

Municipal Operations & Consulting LLC  
27316 Spectrum Way  
Conroe, Texas 77385

*Signatures Commence on the Following Page*



**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be executed in duplicate as of the date first hereinabove written.

**RIVER PLANTATION MUNICIPAL UTILITY DISTRICT**

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

President, Board of Directors

ATTEST: \_\_\_\_\_

Secretary, Board of Directors

(SEAL)

**MUNICIPAL OPERATIONS & CONSULTING, LLC**

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**ATTACHMENT "A"****RATE SCHEDULE****BASIC SERVICES:**

**\$3.00** per equivalent single-family residential connection  
AND  
**\$3.00** per each commercial/multi-family equivalent  
connection. (10,000 gallons of water used).

Water Plants:  
Lift Station:

\$1,500.00/per month/per water plant  
\$600.00/per month/per lift station

**LABOR**

COMPANY OFFICER	\$78.00/hr.
COMPLIANCE LEVEL 1	\$60.00/hr.
COMPLIANCE LEVEL II	\$78.00/hr.
CONSULTANT	\$65.00/hr.
SUPERVISOR	\$55.00/hr.
PLANT OPERATOR LEVEL I	\$47.00/hr.
PLANT OPERATOR LEVEL II	\$51.00/hr.
PLANT OPERATOR LEVEL III	\$55.00/hr.
SKILLED LABORER	\$37.00/hr.
LABORER	\$35.00/hr.
ELECTRICAL TECHNICIAN	\$63.00/hr.
OFFICE ADMINISTRATOR	\$63.00/hr.
CLERICAL	\$63.00/hr.
COMPUTER IT	\$65.00/hr.

Overtime rates of only one-and-one-half time regular rates will be charged for work performed on weekdays between the hours of 4:30 p.m. and 7:30 a.m. and on all weekends, holidays.

**EQUIPMENT**

UTILITY TRUCK (1/2 TON)	\$22.00/hr.
UTILITY TRUCK (1 TON)	\$33.00/hr.
JET TRAILER W/EQUIPMENT OPERATOR (3hr.minimum)	\$200.00/hr.
MOWING TRACTOR W/SHREDDER	\$110.00/hr.
UTILITY WATER PUMP (2")	\$14.00/hr.
BACKHOE, EQUIP. OPER., TRUCK, TRAILER (no minimum)	\$200.00/hr.
OTHER EQUIPMENT (Rentals)	Cost Plus 10%

MATERIALS AND SUPPLIES	Cost Plus 10%
TRENCH SAFETY (UP TO 8' DEPTH)	\$50.00/hr.
CONFINED SPACE ENTRY	\$150.00/hr.
CRANE TRUCK	\$125.00/hr.
DUMP TRUCK	\$55.00/hr.
VACTOR UNIT AND CREW	\$195.00/hr.
SUPPORT VEHICLE AND TRAILER	\$125.00/hr.
LINE LOCATING EQUIPMENT AND CREW	\$150.00/hr.

### **WATER TAPS**

SINGLE FAMILY, SHORT (up to 30 linear feet—add \$5.00/ ft. thereafter)	
5/8" x 3/4" TAP & METER	\$450.00 ea.
1" TAP & METER	\$600.00 ea.
TRENCH SAFETY COST PER WATER TAP	\$375.00 ea.
5/8 "X 3/4" ELECTRONIC METER	\$395.00 ea.
PLUS COST OF TAP	
1" ELECTRONIC METER	\$495.00 ea.
PLUS COST OF TAP	

### **INSPECTIONS**

STANDARD RESIDENTIAL SEWER TAP INSPECTIONS	\$40.00 ea.
COMMERCIAL SEWER TAP INSPECTIONS	\$100.00 ea.
PRE & POST LOT INSPECTIONS	\$30.00 ea.
CUSTOMER SERVICE INSPECTIONS	
RESIDENTIAL	\$50.00 ea.
COMMERCIAL	\$100.00 ea.
GREASE TRAP INSPECTIONS	\$50.00 ea.
BACKFLOW PREVENTION ASSEMBLY TESTING	At Cost
SWIMMING POOL INSPECTIONS	\$100.00 ea.
HOT TUB INSPECTIONS	\$100.00 ea.

### **MISCELLANEOUS**

DELINQUENT LETTER FEE	\$10.00 ea.
DOOR KNOCKERS	\$25.00 ea.
RETURN CHECK FEE	\$25.00 ea.
CUSTOMER SERVICE AGREEMENTS	\$20.00 ea.
CONNECTS FOR NEW MOVE IN AND TRANSFER FEE	\$20.00 ea.
DISCONNECT FOR MOVE OUTS	\$10.00 ea.
DISCONNECTS FOR NON-PAYMENT	\$35.00 ea.
COLLECTING FOR EXTRA LINE ITEMS	

ON WATER BILLS (garbage, VFD, etc.)	0.35/item/paid per connection
MONTHLY BACTERIOLOGICAL SAMPLING	At Cost
SUBCONTRACTOR INVOICES	Cost Plus 10%
POSTAGE AND STATIONERY FOR MONTHLY BILLING	At Cost
POSTAGE FOR SPECIAL MAILINGS	At Cost
PHOTOCOPIES	\$0.20/page
FACSIMILES	\$2.00/page
NEW REPLACEMENT DAMAGED METERS (5/8")	\$95.00 ea.
NEW REPLACEMENT DAMAGED METERS (1")	\$125.00 ea.
NEW ELECTRONIC METER (5/8" SS Beacon, includes labor)	\$395.00 ea.
NEW ELECTRONIC METER (1" SS Beacon, includes labor)	\$495.00 ea.
METER BOX LID REPLACEMENT W/ LABOR	\$33.00 ea.
METER BOX & LID REPLACEMENT W/ LABOR	\$58.00 ea.
SHALLOW SERVICE LINE LEAK REPAIR	\$325.00 minimum
MINIMUM SIDEWALK PANEL REPLACEMENT	4 sq./ft.- \$250.00
REPAINTING FIRE HYDRANT	\$38.00 ea.
ATTENDANCE @ BOARD MEETING	No Charge
RATE ORDER/ ACCOUNT MODIFICATIONS	At Cost
WATER/SEWER RATE ANALYSIS	Billed per tier or table

**PROFESSIONAL SERVICES AGREEMENT**

**FOR THE OPERATIONS OF THE JOINT WASTE WATER TREATMENT FACILITY**

THIS AGREEMENT, entered into effective \_\_\_\_\_, 2022, by and between **RIVER PLANTATION MUNICIPAL UTILITY DISTRICT**, a conservation and reclamation district created and operating under and governed by the provisions of chapters 49 and 54 of the Texas Water Code, as amended, and Section 59 of Article 16, of the Texas Constitution, acting by and through its duly authorized officers (hereinafter sometimes referred to as the “District”) and **MUNICIPAL OPERATIONS & CONSULTING, L.L.C.**, a Texas company having its principal place of business at 27316 Spectrum Way, Oak Ridge, Texas 77385 (hereinafter sometimes referred to as the “Operator”).

WHEREAS, District presently owns a regional wastewater treatment facility that serves the District and East Plantation Utility District the “Facilities”; and

WHEREAS, District wishes to obtain services for the operation, maintenance, and management of its Facilities which are located in MONTGOMERY COUNTY, TEXAS; and

WHEREAS, Operator is willing to render such services to the extent and in manner hereinafter provided;

NOW THEREFORE, THIS AGREEMENT WITNESSETH, that

For and in consideration of the mutual undertakings herein contained, District and Operator agree as follows:

**I.**

**1.01– GENERAL**

Operator hereby agrees to operate, maintain, and manage the Facilities under this Agreement beginning \_\_\_\_\_, 2022 and continuing during the term hereof as hereinafter defined on the terms and conditions stated herein. Operator shall be considered an independent contractor and not an employee under this Agreement.

## **1.02 - DEFINITIONS**

As used herein, the following terms shall have meanings as follows:

- A. “OPERATION” shall consist of furnishing all of the necessary personnel, services, tools, equipment, materials, supplies and transportation in order to provide efficient operation of the Facilities. Operation shall include, but shall not be limited to, providing the necessary service in the efficient collection and movement of normal domestic and commercial sewage discharged into the District’s sewage collection system.
  
- B. “MAINTENANCE” shall consist of cleaning, lubricating and adjusting equipment necessitated by operation and will include replacement or repair, when needed, of those parts of equipment or other components, which are expected to require replacement or repair in the operation of facilities of the type, which constitutes the Facilities. The engineer will compile as built plans, and operations and maintenance manuals. Once presented these documents, the operator will operate and maintain equipment according to manufacturer’s recommendations and the O&M manuals.
  
- C. “FACILITIES” shall consist of the following:
  - 1. Wastewater treatment plant located at 632 River Plantation Drive, Conroe, Texas 77302
  
- D. “DISTRICT’S REPRESENTATIVE” shall mean the District’s Engineer or any individual designated by the Board of Directors of the District, or in the absence of such designation, the President of the Board of Directors of the District.
  
- E. “OPERATION AND MAINTENANCE MANUAL” or “O & M MANUAL” shall include the following:
  - 1. Available manufacturers’ manuals prepared for all equipment used in connection with the Facilities and such other written lubrication schedules with change dates, maintenance schedules, and machinery specifications as are necessary for the proper operation and maintenance of the Facilities;
  - 2. A list of inventory items to be used for minor and emergency repairs for each of the Facilities;
  - 3. A written operating log containing a daily record, notations regarding the use of all supplies and all repairs or replacements performed; and

4. Such other matters within the scope of the Operator's work which the District may reasonably request.
- F. "EXPENDABLE SUPPLIES" shall mean lubricants, packing, charts, cleaning agents, chemicals, chlorine, office supplies, and all other similar nondurable items, which do not become affixed to the Facilities.
- G. "BASIC SERVICES" shall mean those routine operation and maintenance functions specified in Section 2.01 of this Agreement.
- H. "ROUTINE REPAIR AND REPLACEMENT" shall mean the labor, tools and transportation required for the repairs, replacement and adjustment of those parts or equipment, which are expected to require replacement or repair in the normal operation of facilities of the type which constitute the Facilities. Said definition shall also mean such repair and replacement necessitated in the performance of duties prescribed by the O & M Manual. "Routine Repair and Replacement" shall not include repair or replacement of Facilities damaged by third parties, obsolescence, or other factors not within Operator's control.
- I. "EXTRAODINARY REPAIR AND REPLACEMENT" shall mean labor, tools and transportation not defined as "Routine Repair and Replacement."

## II.

### SCOPE OF WORK

#### 2.01 BASIC SERVICES

During the term of this Agreement, Operator shall perform the following basic services:

- A. GENERAL
  1. Operator shall operate and maintain the Facilities in a proper and workmanlike manner. Operator agrees to operate and maintain the Facilities in accordance with all applicable laws, permits, rules and regulations.
  2. Operator shall be responsible for operating and maintaining the Facilities in accordance with the O & M Manual.
  3. Operator shall arrange for and supervise all testing required by all regulatory agencies and applicable laws, permits and regulations and shall arrange for any regularly scheduled reports as required by any regulatory agencies and any applicable laws, permits and regulations.

4. Operator shall render a condensed monthly operating report to District which shall include at least the following information:
  - a) Any abnormal change in condition of District's equipment, necessary repairs and any recommendations as to the repair or replacement of such equipment;
  - b) Any damage to the Facilities and the possible causes thereof, including any insurance claims filed on behalf of District. In instances where the damage may be attributable to any contractor, builder, corporation, utility company or other person, Operator shall back charge the party responsible for such damage and report it to the District;
  - c) Copies of monthly testing reports, if requested by the District, and correspondence to regulatory authorities, if appropriate.
5. Operator shall provide at least one fully qualified and competent operator to directly operate the Facilities. The person so provided shall have a Texas license as required by the regulatory agencies.
6. Operator shall maintain a twenty-four (24) hour telephone answering service.
7. Operator shall promptly notify District's Representative of any condition known to Operator, which adversely affects the wastewater collection or treatment, drainage or District's compliance with all current permits or regulations.
8. Operator shall render District all reasonable assistance in the promotion of good relations with District's customers.
9. Operator shall routinely order and arrange for delivery of inventory items listed in the O & M Manual, expendable supplies, and other necessary supplies.
10. Operator shall provide a representative to attend District meetings; said representative shall be familiar with the operations in District.
11. Operator shall provide operations and maintenance cost data to District Bookkeeper for use in budget comparison.
12. Operator shall maintain such information and reports as may be required for audit of District's accounts and shall make same available to District's auditor during regular business hours.



13. Such other services and actions as are set forth in Exhibit “B” attached hereto and incorporated herein.

**B. WASTEWATER TREATMENT PLANT**

1. Operator shall maintain an operating log at District’s Wastewater Treatment Plant, which may be inspected by District at any time.
2. Operator shall check operation of the Wastewater Treatment Plant the required number of days that are specified in the sewer plant permit and shall make any needed adjustments, lubrications or repairs.
3. Operator shall maintain the Wastewater Treatment Plant in a neat orderly condition, compatible with the neighborhood and surrounding development. Maintenance shall not include the painting of equipment or the wastewater treatment facilities, other than minor “touch up” painting needed to prevent damage to the facilities. Maintenance shall not include mowing.

**C. SLUDGE TREATMENT AND DISPOSAL**

1. Operator shall routinely draw and arrange for hauling and disposal of sludge from the District’s Wastewater Treatment Plant to maintain the average sludge age and optimum concentrations.
2. In the event that extraordinary sludge hauling is required, sludge shall be processed from the District’s wastewater treatment facilities by others or by the Operator in a manner and at a cost to be agreed on from time to time by the parties hereto. There shall be no markup on sludge hauling invoices paid directly by the District.

**D. SANITARY SEWER COLLECTION SYSTEMS**

1. Operator shall perform or cause to be performed a daily, weekly, monthly and yearly routine and preventive maintenance program as required to keep the Facilities operational and in compliance with the regulatory authorities.
2. Operator shall report all damages to the Facilities. In the event that, in the Operator’s opinion, foreseeable damage could occur, Operator shall report such opinion to District Representative immediately and shall attempt to comply with the District’s policy governing control of damages to Facilities and to prevent others from causing additional damage. In those instances in

which damage is discovered, Operator shall diligently attempt to ascertain the causes therefore and report it in the monthly report.

### **2.02 – REPAIR OR REPLACEMENT: EMERGENCY RESPONSE**

Operator shall provide routine repair or replacement when necessary. Operator shall provide Extraordinary Repair and Replacement when necessary, provided that Operator shall obtain advance approval of District's Representative before providing any parts, equipment or extraordinary repair or replacement with an estimated repair cost of over \$2,500.00, and Operator shall be compensated therefore in accordance with Section 3.04 herein.

In the event that a repair or replacement is urgently necessary to prevent damage to life, property, or for concerns related to public health, and if the Operator has diligently attempted to contact the District's Representative in advance, the Operator shall cause such repairs to be performed at once. Such repairs or replacement and the charges for parts and equipment so utilized shall be at the District's expense. Prior authorization shall not be necessary, provided that the Operator shall use its best efforts to minimize the cost thereof and provided that the Operator contacts the District's Representative at the earliest possible opportunity thereafter.

Operator shall maintain personnel and equipment for emergency response twenty-four (24) hours per day, seven (7) 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 sewer collection system, or water or wastewater plant malfunctions that could result in regulatory or permit excursions, any response requested by District or its representative or response to insistent resident concerns when necessary to maintain good District relations.

### **2.03– SPECIAL SERVICES**

In addition to basic services, Operator may be requested from time to time to perform special services such as conducting inventories and preparing reports in addition to reports required by various regulatory agencies and any other special services requested by District or any of the District's other consultants. Special services shall be at District's expense based on estimates received from Operator and approved by District.

District's Engineer may request that certain additional operation and maintenance procedures be followed in addition to the O & M Manual. From time to time, the District's Engineer shall prepare any and all suggested O & M Manual material which he shall deem necessary for the proper operation and maintenance of the facilities and shall submit same to District and Operator. Thereupon, Operator shall calculate any additional cost of compliance with said material and shall present same to District for approval.

## **2.04 – MODIFICATIONS TO DISTRICT FACILITIES**

District will provide Operator written notice of additions, deletions or other modifications to the Facilities, which are not proposed to be made by the Operator. In the event any such modification amounts to substantial change in the type or extent of the Facilities or would materially increase Operator's cost in performing its obligations hereunder, Operator shall provide District with written notice of the additional costs of operation and maintenance resulting from the proposed modification; and if efforts to renegotiate this Agreement to absorb any additional operating cost are not successful, either party may terminate this Agreement upon thirty (30) days advance written notice.

## **2.05 – DISTRICT'S RESPONSIBILITIES**

The payment for cost of all supplies, electricity, gas and other utility services utilized in connection with the operation and maintenance of the Facilities and all modifications, extensions, expansions or structural changes to the Facilities shall be the direct responsibility of the District.

## **COMPENSATION TO OPERATOR**

### **3.01– COMPENSATION TO OPERATOR**

Operator shall receive compensation for performance of basic services and its duty to operate and maintain the Facilities in a proper and workmanlike manner, in accordance with Attachment "A", attached hereto. Any rate increases shall be effective only after approval by District.

### **3.02 – COMPENSATION POLICIES**

The compensation to be paid to Operator herein is exclusive of any tax, assessment, regulatory expense or other charge which may be imposed by any governmental authority upon District and paid by Operator as a result of performing its obligations pursuant to the Agreement other than taxes upon the purchase of material, supplies, and parts. In the event Operator is required by applicable law or regulation to pay or collect any such tax, assessment, regulatory expense or other charge on account of this Agreement or its performance hereunder, then the amount thereof shall be reimbursed to Operator by District (in addition to the compensation provided hereinabove) at the next monthly meeting of District. It is understood however, that the Operator shall be responsible at its own expense for all corporate income and franchise taxes arising out of its operations, and regulations with respect to or measured by the compensation (wage, salary or other) paid to employees of Operator and its subcontractors for work covered by this Agreement, including, but not by way of limitation, taxes or contributions for annuities,

and disability insurance. **Operator shall defend, indemnify and hold District harmless from any liability for any and all such taxes or contribution or interest or penalties for failure to pay it.**

### **3.03 – BILLING AND PAYMENT**

Unless otherwise agreed upon in writing during the initial or any renewal terms of this Agreement, Operator will submit prior to District's regularly scheduled meeting, a statement to District's bookkeeper or District's Representative reflecting charges for the previous billing period in accordance with this Agreement. Said statement shall include an itemization of all amounts requested for payment during the billing period, with supplementary invoices attached thereto, if requested by the District. Said statement or said invoices shall include the date, price and description of all items purchased and the rate per category and description of the nature of all labor and equipment utilized. If the statement is approved by the District's Representative or District, then such statement shall be due and payable forty-five (45) days after the date of said meeting; provided, however, that any such notification shall not preclude the withholding of approval of any additional items by the Board of Directors of District at said meeting. In the event District's Representative withholds approval on any item or items in the statement, the District's Representative shall notify Operator at least one day in advance of said meeting. Any dispute involving payment of any item or items on the statement shall be resolved by District, subject to any legal or equitable remedy available to Operator. Payment of said item or items by District shall not be unreasonably withheld. Operator however shall be entitled to payment of the balance of said statement in the event that payment of any item or items in the statement are withheld pending resolution of a dispute. If the District fails to make payment under this Agreement to the Operator of any undisputed sum named in any partial or final statement, when the payment is due and has not been lawfully contested by District, District shall pay to the Operator in addition to the undisputed sum shown as due by such statement, interest thereon at a rate of ten percent (10%) per annum, accruing from the 46<sup>th</sup> day following the District's meeting until fully paid. Interest shall not accrue on any disputed sum(s) unless said sum(s) remain unpaid for more than forty-five (45) days following resolution of dispute.

Maintenance and operation expenses attributable to components of the Facilities which are owned or shared by District and other parties ("joint facilities") shall be identified as such on Operator's records and shall be separated from other statements presented to District for payment.

All materials and supplies purchased by the Operator are purchased on behalf of the District and are labeled as the District's property. The title to the purchased materials and supplies passes to the District before such goods are used.

### **3.04 – ADDITIONAL COMPENSATION**

In addition to the compensation provided for Basic Services herein Operator shall receive the additional compensation specified in this section 3.04. Operator shall not be additionally compensated for providing Basic Services, except as provided below. No overhead reimbursements or markups shall be paid by District except as provided below. District shall not be obligated to pay charges in excess of rates listed in Operator's Rate Schedule, except in emergency cases specified in Section 2.02 herein. Operator shall receive the following additional compensation;

- A. For performance of Extraordinary Repair and Replacement specified in section 2.02 herein. Unless specifically noted otherwise, all labor required for the performance of duties listed shall be considered Routine Repair and Replacement;
- B. For purchase of inventory items, expendable supplies, chemicals, parts, equipment or other replacement components of the Facilities, whether installed, repaired or replaced as Routine or Extraordinary Repairs and Replacements. District shall pay Operator invoice amount plus a 10% markup.
- C. For performance of special services as specified in Section 2.03, herein;
- D. For the cost of all testing required by all controlling agencies and applicable laws, permits and regulations as specified in Section 2.01 A, (3), herein;
- E. For any requested site maintenance, including mowing;
- F. For payment of subcontractors' invoices by Operator, District shall pay Operator the subcontractors' invoice fees plus ten percent (10%), subject to the provisions of Section 4.02 (C), herein;
- G. For any fees or assessments associated with the filing of any applicable regulatory requirements; and
- H. For any reports or filings not currently required as of the effective date of this Agreement.

#### IV.

### INSURANCE AND INDEMNIFICATION

#### 4.01- INSURANCE AND INDEMNIFICATION

Upon execution of this Agreement, Operator will furnish District with Certificates of insurance in a company or companies satisfactory to District, evidencing:

- A. Workers Compensation (statutory amount)

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

- |    |                   |  |
|----|-------------------|--|
| 1. | General Liability | \$1,000,000/ person<br>\$1,000,000/ occurrence<br>\$2,000,000/ aggregate |
| 2. | Business Auto     | \$1,000,000/ occurrence  |
| 3. | Umbrella          | \$4,000,000/ aggregate   |

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

#### **4.02- INDEMNIFICATION**

- A. OPERATOR SHALL INDEMNIFY THE DISTRICT AND HOLD THE DISTRICT AND ITS BOARD MEMBERS, REPRESENTATIVES, CONSULTANTS (OTHER THAN OPERATOR) AND AGENTS (COLLECTIVELY THE “DISTRICT INDEMNITEES”) HARMLESS FROM AND AGAINST CLAIMS, CAUSES OF ACTION, LOSSES, DAMAGES, SUITS, JUDGEMENTS, AND LIABILITY OF EVERY KIND OF CHARACTER, WHETHER IN CONTRACT, TORT OR OTHERWISE, INCLUDING ALL COSTS, ATTORNEYS’ FEES, AND COURT COSTS, WHICH ARE CAUSED BY, ASSOCIATED WITH OR ARISE OUT OF THE INTENTIONAL, WILLFUL, RECKLESS OR NEGLIGENT (WHETHER ACTIVE, PASSIVE OR GROSS) ACTS OF OPERATOR, ITS EMPLOYEES, OFFICERS, AGENTS OR SUBCONTRACTORS, ARISING UNDER THIS AGREEMENT.**
- B. ADDITIONALLY, OPERATOR SHALL INDEMNIFY THE DISTRICT INDEMNITEES FROM ANY AND ALL LIABILITY, LOSS OR DAMAGE THAT ANY ONE OR MORE OF DISTRICT INDEMNITEES MAY SUFFER AS A RESULT OF CLAIMS, DEMANDS, COSTS OR JUDGEMENTS AGAINST SUCH DISTRICT INDEMNITEE ARISING OUT OF THE FAILURE OF OPERATOR, ITS EMPLOYEES, OFFICERS OR AGENTS, OR ANY SUBCONTRACTOR OF OPERATOR TO CONFORM TO THE STATUTES, ORDINANCES OR OTHER REGULATIONS OR REQUIREMENTS OF ANY GOVERNMENTAL AUTHORITY IN CONNECTION WITH OPERATOR’S OPERATION OF THE DISTRICT’S FACILITIES UNDER THIS AGREEMENT, UNLESS**

**THE FAILURE TO CONFORM TO SUCH STATUTE, ORDINANCE, REGULATION OR REQUIREMENT WAS A DIRECT RESULT OF OPERATOR FOLLOWING THE EXPRESS INSTRUCTION OF THE BOARD OF DIRECTORS OF THE DISTRICT. OPERATOR REQUIREMENT TO INDEMNIFY THE DISTRICT INDEMNITEES IN THIS SECTION 4.02(B) SHALL NOT APPLY TO ANY DISTRICT INDEMNITEE USED BY THE DISTRICT TO DESIGN, BUILD OR OPERATE THE DISTRICT'S FACILITIES AND UTILITY SYSTEM TO THE EXTENT SUCH FAILURE WAS A DIRECT RESULT OF THE NEGLIGENT ACT OR OMISSION OF SUCH DISTRICT INDEMNITEE.**

- C. Operator may subcontract such of its work hereunder as may, in Operator's opinion, be desirable, subject to the District's rights as set forth below. However, such subcontracting shall not relieve Operator of any of its obligations or liabilities hereunder, and subcontractors shall be considered to be employees of Operator with operator retaining responsibility for such Subcontractors' performance. Subcontractors or suppliers employed or utilized by Operator shall have no recourse against District for any services rendered or charges incurred on behalf of Operator and Operator shall indemnify and hold District harmless for any claims, attorneys' fees and court costs incurred as a result of claims made by such subcontractors or suppliers. The District reserves the right to directly employ Subcontractors for certain operation and and/or maintenance services. Operator shall receive no compensation pursuant to Section 3.04 (F) herein and shall not be responsible for services rendered by Subcontractor.
- D. Operator agrees to exercise reasonable diligence and good business practices in the operation and maintenance of the Facilities. Operator will be liable for any direct or indirect loss, injury or damages resulting from the diminution or interruption of service within the Facilities and utility system that is caused by or results from either directly or indirectly, the improper or inadequate operation of the Facilities by Operator, or the intentional, willful, reckless, or negligent acts, omissions or other operations by Operator, or its employees, representatives, agents or subcontractors. However, it is understood and agreed that Operator is not otherwise responsible for the adequacy or quality of the water supply provided or the failure of the Facilities to meet state or federal standards.

## V.

**TERM AND TERMINATION****5.01 – TERM AND TERMINATION**

This Agreement shall be and remain in effect for a period of one (1) year and shall continue thereafter from year to year, subject, however, to termination by either party hereto at any time, without cause, by providing thirty (30) days advance written notice to the other party. Provided, however, that either party may terminate this Agreement immediately for substantial failure to perform upon giving written notice to the other party of such failure to perform and the allowance of a reasonable period for curing such nonperformance. In the event this Agreement is terminated, all billing cards, meter reading records, billing and collections forms, and any other forms or materials pertaining to the billing and collection of accounts of any customer of District shall be promptly furnished by Operator to District without any additional costs to District. In the event of termination, District shall pay Operator compensation pursuant to this Agreement up to the date of termination (prorated for less than a full month, if necessary) and any unpaid expenses of Operator incurred pursuant to this Agreement. It is further understood by both parties hereto that any action or decision by any government unit or agency which has any effect upon the requirements of this Agreement, in part or in total, may be cause for immediate renegotiation of this Agreement.

## VI.

**MISCELLANEOUS****6.01 – DISTRICT’S REPRESENTATIONS**

District represents that the Facilities are in good working order, do not contain any known defective equipment, and are suitable and adequate for the normal needs of its present customers and expected additional customers during the term of this Agreement.

**6.02 - INDUSTRIAL AND HAZARDOUS WASTE**

Recognizing that the control of industrial and hazardous wastes discharging into the sanitary sewer collections system of the District is of vital importance, each party agrees to notify the other and the District’s Engineer when knowledge of such discharge or contemplated discharge is discovered.

**6.03 – SPECIFICATIONS AND WARRANTIES**

District reserves the right to select and prescribe specifications and standards for all materials and equipment to be used by Operator in the performance of services and obligations pursuant to this Agreement. Operator shall use good judgment with respect to



said replacement equipment and shall not be responsible to District for any guarantee or warranty in connection with said equipment. Operator shall exert reasonable efforts to obtain the normal warranties or guarantees applicable in the particular industry and shall assign the same to the District.

#### **6.04 – FORCE MAJEURE**

In the event that either party is rendered unable, wholly or in part, by act of God, war, earthquake, fire, strike, civil commotion, epidemic, act of government, its agencies or offices, or any other cause beyond the control of the parties (“Force Majeure”) to carry out its obligations under this Agreement, it is agreed that either party shall give notice and full particulars of such Force Majeure to the other party in writing as soon as possible after the occurrence of the cause relied on and shall thereby be relieved of its obligations, so far as they are effected by such Force Majeure, during the continuance of any inability so caused, but for no longer period.

#### **6.05 – ASSIGNABILITY**

Neither party may assign this Agreement or its interest herein without prior written consent of the other, provided that Operator may assign any moneys due from the District hereunder to a third party.

#### **6.06 – H.B. No. 89 VERIFICATION**

As required by Chapter 2270, Texas Government Code, Operator hereby verifies that Operator, including a wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the same, does not boycott Israel and will not boycott Israel through the term of this Agreement. The term “boycott Israel” in this paragraph has the meaning assigned to such term in Section 808.001 of the Texas Government Code, as amended.

Pursuant to Chapter 2252, Texas Government Code, Operator represents and certifies that, at the time of execution of this Agreement neither Operator, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the same, is a company listed by the Texas Comptroller of Public Accounts under Sections 2270.0201 or 2252.153 of the Texas Government Code.

#### **6.07 – MODIFICATION**

No alteration or modification of this Agreement shall be made except by a writing duly signed by the parties hereto.

#### **6.08 – RECORDS**

Operator and the District each acknowledge that the requirements of Chapter 552, Texas Government Code, as amended (The “Local Government Records Act”), and Chapters

201-205, Texas Local Government Code, as amended (the “Local Government Records Act”, and together with the Public Information Act, the “Acts”), each apply to all public information, as defined by the Public Information Act, and all local government records, as defined by the Local Government Records Act, related to the relationship between Operator and the District, and to any work carried out thereunder. Operator hereby covenants that it will comply with all requirements of the Acts related to public information of the District.

#### **6.09 – INDEPENDENT CONTRACTOR: GOVERNING LAW**

Operator is not an employee or subcontractor of District, but serves District as an independent contractor. This Agreement shall be governed by the laws of the State of Texas.

#### **6.10 – NOTICE**

Whenever under the provisions of this Agreement notice is required to be given, such notice shall be given in writing by registered or certified mail and addressed to the party for whom intended at its’ then address of record, and such notices shall be deemed to have been given when the notice is received as evidenced by a signed receipt. The initial addresses of the parties, which may be changed by notifying the respective other party, are as follows:

#### **DISTRICT**

River Plantation Municipal Utility District  
c/o Smith, Murdaugh, Little & Bonham, L.L.P.  
2727 Allen Parkway, Suite 1100  
Houston, Texas 77019

#### **OPERATOR**

MUNICIPAL OPERATIONS &  
CONSULTING, LLC  
27316 Spectrum Way  
Oak Ridge, Texas 77385

*Signatures Commence on the Following Page*

**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be executed in duplicate as of the date first hereinabove written.

**RIVER PLANTATION MUNICIPAL  
UTILITY DISTRICT**

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

ATTEST: \_\_\_\_\_  
Secretary

**MUNICIPAL OPERATIONS &  
CONSULTING, LLC**

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

(SEAL)

**ATTACHMENT “A”****RATE SCHEDULE**

BASE MONTHLY FEE                      \$1,500.00 per month for Wastewater Treatment  
Plant Operations

The following rates will be charged to the District when in the operation, maintenance, and repair of the District’s facilities, additional personnel, equipment and purchased materials are used:

**LABOR**

COMPANY OFFICER	\$78.00/hr.
COMPLIANCE LEVEL 1	\$60.00/hr.
COMPLIANCE LEVEL II	\$78.00/hr.
CONSULTANT	\$65.00/hr.
SUPERVISOR	\$55.00/hr.
PLANT OPERATOR LEVEL I	\$47.00/hr.
PLANT OPERATOR LEVEL II	\$51.00/hr.
PLANT OPERATOR LEVEL III	\$55.00/hr.
SKILLED LABORER	\$37.00/hr.
LABORER	\$35.00/hr.
ELECTRICAL TECHNICIAN	\$63.00/hr.
OFFICE ADMINISTRATOR	\$63.00/hr.
CLERICAL	\$63.00/hr.
COMPUTER IT	\$65.00/hr.

Overtime rates of only one-and-one-half time regular rates will be charged for work performed on weekdays between the hours of 4:30 p.m. and 7:30 a.m. and on all weekends, holidays.

**EQUIPMENT**

UTILITY TRUCK (1/2 TON)	\$22.00/hr.
UTILITY TRUCK (1 TON)	\$33.00/hr.
JET TRAILER W/EQUIPMENT OPERATOR (3hr.minimum)	\$200.00/hr.
MOWING TRACTOR W/SHREDDER	\$110.00/hr.
UTILITY WATER PUMP (2’)	\$14.00/hr.
BACKHOE, EQUIP. OPER., TRUCK, TRAILER (no minimum)	\$200.00/hr.
OTHER EQUIPMENT (Rentals)	Cost Plus 10%
MATERIALS AND SUPPLIES	Cost Plus 10%
TRENCH SAFETY (UP TO 8’ DEPTH)	\$50.00/hr.

CONFINED SPACE ENTRY	\$150.00/hr.
CRANE TRUCK	\$125.00/hr.
DUMP TRUCK	\$55.00/hr.
VACTOR UNIT AND CREW	\$195.00/hr.
SUPPORT VEHICLE AND TRAILER	\$125.00/hr.
LINE LOCATING EQUIPMENT AND CREW	\$150.00/hr.

### **WATER TAPS**

SINGLE FAMILY, SHORT (up to 30 linear feet—add \$5.00/ ft. thereafter)	
5/8" x 3/4" TAP & METER	\$450.00 ea.
1" TAP & METER	\$600.00 ea.
TRENCH SAFETY COST PER WATER TAP	\$375.00 ea.
5/8 "X 3/4" ELECTRONIC METER	\$395.00 ea.
PLUS COST OF TAP	
1" ELECTRONIC METER	\$495.00 ea.
PLUS COST OF TAP	

### **INSPECTIONS**

GREASE TRAP INSPECTIONS	\$50.00 ea.
BACKFLOW PREVENTION ASSEMBLY TESTING	At Cost

### **MISCELLANEOUS**

SUBCONTRACTOR INVOICES	Cost Plus 10%
POSTAGE FOR SPECIAL MAILINGS	At Cost
PHOTOCOPIES	\$0.20/page
FACSIMILES	\$2.00/page
SHALLOW SERVICE LINE LEAK REPAIR minimum	\$325.00
MINIMUM SIDEWALK PANEL REPLACEMENT \$250.00	4 sq./ft.-
ATTENDANCE @ BOARD MEETING	No Charge

# System Totals Report

## River Plantation MUD

<b>Water Pumped This Month</b>	<b>6,216,000 Gallons</b>
<b>Water Sold This Month</b>	<b>5,474,850 Gallons</b>
<b>Water Used for Fire and Flushing Line</b>	<b>525,000 Gallons</b>
<b>Water Loss</b>	<b>216,150 Gallons</b>
<b>Water Loss (%)</b>	<b>3.48 %</b>

	Amount (\$)	# Of Accounts
Total Water	20,961.86	944
Total Sewer	34,852.89	927
Total Service Charge	1,152.13	217
Total LSG Fee	765.48	922
Total Adjustments	-431.83	61
Total Reconnect Fee	1,850.00	37
Total ST Fee	279.34	944
<b>Total Current Charges</b>	<b>59,429.87</b>	<b>949</b>
<hr/>		
Amount Past Due 1-30 Days	3,234.40	66
Amount Past Due 31-60 Days	259.19	8
Amount Past Due Over 60 Days	2,417.77	27
Amount Of Overpayments/Prepayments	-19,019.08	373
<b>Total Receivables</b>	<b>46,322.15</b>	<b>1,027</b>

Total Receipts On Account	60,523.04	863
Net Change in Deposits	1,629.56	19
Amount of All Deposits	110,935.34	997
Amount of All Deposit 2	1,207.60	13
Turned Off Accounts (Amount Owed)	1,310.15	28
Collection Accounts (Amount Owed)	-284.94	763
Number Of Unread (Turned On) Meters		
Average Usage For Active Meters	5,604	977
Average Water Charge For Active Meters	22.21	944

Usage Groups	Gallons	# Of Accounts	Usage Gallons	% Of Usage	% Of Sales
Over 50,000		1	50,280	0.92	0.90
40,001-50,000		1	41,030	0.75	0.69
30,001-40,000		1	35,920	0.66	0.59
20,001-30,000		15	354,180	6.47	5.51
10,001-20,000		108	1,455,150	26.58	22.62
8,001-10,000		57	502,290	9.17	8.12
6,001-8,000		146	999,770	18.26	16.57
4,001-6,000		230	1,148,640	20.98	20.22
2,001-4,000		244	738,060	13.48	15.75
1-2,000		129	149,530	2.73	7.70
Zero Usage		45	0	0.00	1.33
<hr/>					
<b>Total Meters</b>		<b>977</b>	<b>5,474,850</b>	<b>100.00</b>	<b>100.00</b>

# System Totals Report

River Plantation MUD

## Monthly Reconciliation

Ending Receivables (Last Month)		47,415.32
Sales this Month	+	59,861.70
Adjustments this Month		-431.83
Less Payments this Month	-	<u>60,523.04</u>
	=	46,322.15
Total Receivables		<b>46,322.15</b>
Ending Deposits (Last Month)		110,513.38
Changes this Month		<u>1,629.56</u>
	=	112,142.94
Total Deposits		<b>112,142.94</b>

# River Plantation

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## Municipal Utility District

### Monthly Operating Report

March 2022

#### Water Plants

1. Water Treatment Plants are operating normal. 6,216,000 gallons were pumped and 5,474,850 gallons sold with a 3.48 % loss.
2. Collected Raw water samples at WTP #2 and delivered to lab.

#### Distribution

1. Distribution system is operating normal.
2. 28 customers were disconnected for past due amounts.
3. Flushed all dead end mains.
4. Collected monthly water samples and delivered to lab.
5. Water line was damaged by tree at Old Hickory.

#### Waste Water Plant

1. Waste Water Treatment Plant is operating normal. The plant treated xx gallons and sent xx gallons to the lake for reuse. The plant is operating at % of capacity.
2. Blowers were tripped by Entergy line replacement.

#### Collection System

1. Collection System is operating normal, no issues.
2. Sewer line blockage was cleared of grease at Gettysburg Ct.
3. Power outage shut down Mosswood lift station. Entergy repaired.
4. Sewer line collapsing at Brandon Road. Collecting bids to replace.

#### Storm Drainage System

1. East Ditch cleaning and bid prep is still delayed due to weather and unavailable equipment to rent.
2. All storm drains are working.
3. 60" pipe and collection box has corroded creating sink hole along South Brandon Road.