



**GREATER TEXOMA UTILITY AUTHORITY
BOARD MEETING
JUNE 17, 2024**

**GTUA BOARD ROOM
5100 AIRPORT DRIVE
DENISON, TEXAS 75020**



AGENDA
GREATER TEXOMA UTILITY AUTHORITY
BOARD OF DIRECTORS MEETING
GTUA BOARD ROOM
5100 AIRPORT DRIVE
DENISON, TEXAS 75020
Monday, June 17, 2024, 12:00 p.m.

Notice is hereby given that a meeting of the Board of Directors of the Greater Texoma Utility Authority will be held on the 17th day of June 2024, at 12:00 p.m. in the Administrative Offices of the Greater Texoma Utility Authority, 5100 Airport Drive, Denison TX, 75020, at which time the following items may be discussed, considered, and acted upon, including the expenditure of funds.

Agenda:

- I. Call to Order.
- II. Pledge of Allegiance.
- III. Consent Agenda
 - * Items marked with an asterisk (*) are considered routine by the Board of Directors and will be enacted in one motion without discussion unless a Board Member or a Citizen requests a specific item to be discussed and voted on separately.
- IV. * Consider and act upon approval of Minutes May 20, 2024, Meeting.
- V. * Consider and act upon approval of accrued liabilities for May 2024.
- VI. * Consider and act upon Change Order No. 2 on A&B Construction, LLC contract for the Lake Kiowa SUD Phase 4 Project.
- VII. * Consider and act upon Change Order No. 1 on Urban Intraconstruction, LLC contract for the City of Bells Wastewater Treatment Plant Improvement Project.
- VIII. Citizens to be Heard.
- IX. Consider and act upon the award of contract for City of Sherman's Post Oak Sanitary Sewer Improvements.
- X. Consider and act upon the award of contract for City of Sherman's WTP EDR Rehab Chain and Flight Replacement Project.
- XI. Consider and act upon the award of contract for City of Sherman WTP Flocculation and Sedimentation Improvements.

- XII. Consider all matters incident and related to the Greater Texoma Utility Authority Contract Revenue Bonds, Taxable Series 2024 (Arledge Ridge Water Supply Corporation Project), including the adoption of a resolution approving the execution of a Contract of Indemnification with the Arledge Ridge Water Supply Corporation and approving the execution of a Financing Agreement with the Texas Water Development Board in connection therewith.
- XIII. Consider all matters incident and related to the issuance, sale and delivery of “Greater Texoma Utility Authority Contract Revenue Bonds, Series 2024A (City of Sherman Project)”, including the adoption of a resolution authorizing the issuance of such bonds, establishing parameters for the sale and issuance of such bonds and delegating certain matters to authorized officials of the Authority.
- XIV. Consider and act upon a resolution approving the Greater Texoma Utility Authority’s Water Conservation Plan, Water Resource, and Emergency Management Plan.
- XV. Consider and act upon engagement letter with Terrill and Waldrop for legal service related to water rights.
- XVI. Consider and act upon the approval of a water storage agreement with the United States Department of the Army.
- XVII. Executive Session
- Pursuant to Government Code, Sections 551.129 the Board of Directors may adjourn into closed Executive Session to discuss the following:
- a. Consultations Between Governmental Body and Its Attorney
 - i. Consider GTUA contract negotiations
- XVIII. Receive General Manager’s Report: The General Manager will update the Board on operational and other activities of the Authority.
- XIX. Adjourn.

¹The Board may vote and/or act upon each of the items listed in this agenda.

²At any time during the meeting or work session and in compliance with the Texas Open Meetings Act, Chapter 551, Government Code, Vernon’s Texas Codes, Annotated, the Greater Texoma Utility Authority Board may meet in executive session on any of the above agenda items or other lawful items for consultation concerning attorney-client matters (§551.071); deliberation regarding real property (§551.072); deliberation regarding prospective gifts (§551.073); personnel matters (§551.074); and deliberation regarding security devices (§551.076). Any subject discussed in executive session may be subject to action during an open meeting.

³PERSONS WITH DISABILITIES WHO PLAN TO ATTEND THIS MEETING, AND WHO MAY NEED ASSISTANCE, ARE REQUESTED TO CONTACT VELMA STARKS AT (903) 786-4433 TWO (2) WORKING DAYS PRIOR TO THE MEETING, SO THAT APPROPRIATE ARRANGEMENTS CAN BE MADE.

AGENDA ITEM IV

**MINUTES OF THE BOARD OF DIRECTORS' SPECIAL MEETING
GREATER TEXOMA UTILITY AUTHORITY**

MONDAY, MAY 20, 2024

**AT THE ADMINISTRATIVE OFFICES
5100 AIRPORT DRIVE
DENISON TX 75020**

Members Present: Henry Koehler, Stanley Thomas, Ken Brawley, Brad Morgan, and Matt Brown

Members Absent: Kristofor Spiegel, Scott Blackerby, Donald Johnston, and Robert Hallberg

Staff: Paul Sigle, Stacy Patrick, Nichole Murphy, Debi Atkins, Billie Jo Tiner, and Velma Starks

General Counsel: Mike Wynne, Wynne and Smith

Bond Counsel:

I. Call to Order

Board President Brad Morgan called the meeting to order at 12:01 p.m.

II. Pledge of Allegiance

Board President Brad Morgan led the group in the Pledge of Allegiance.

III. Consent Agenda

Items marked with an asterisk () are considered routine by the Board of Directors and are enacted in one motion without discussion unless a Board Member or a Citizen requests a specific item to be discussed and voted on separately.

IV. * Consider and act upon approval of Minutes of April 15, 2024, Meeting.

V. * Consider and act upon approval of accrued liabilities for April 2024.

VI. * Receive Monthly Financial Information.

VII. * Consider and act upon Change Order No. 1 on Red River Construction contract for the CGMA Bloomdale Pump Expansion Project.

Board Member Matt Brown made the motion to approve the Consent Agenda. Board Member Ken Brawley seconded the motion. Motion passed unanimously.

VIII. Citizens to be Heard.

No citizens wished to be heard.

IX. Receive Quarterly Investment Report.

Debi Atkins, Finance Officer, reviewed the Quarterly Investment Report with the Board. Discussion was held.

X. Consider and act upon the award of contract for City of Sherman's Post Oak Sanitary Sewer Improvements.

General Manager Paul Sigle provided background information for the Board. The City of Sherman received six bids. Western Municipal Construction of Texas, LLC had the lowest bid at \$4,128,495.30. Discussion was held. Mike Wynne, legal counsel, provided details regarding wording on documents. Board Member Matt Brown made motion for indemnity letter concerns expressed by Board amendment regarding GTUA on behalf of City of Sherman as recommended by legal counsel. Stanley Thomas seconded the motion. Board Member Ken Brawley made the motion to reverse the previous action on Item X and to table Item X. Board Member Matt Brown seconded the motion to reverse previous action on Item X and to table Item X. Motion passed to reverse the previous action on Item X and to table Item X unanimously.

XI. Consider and act upon the award of contract for City of Sherman's WTP EDR Rehab - Chain and Flight Replacement Project.

General Manger Paul Sigle provided background information for the Board. Discussion was held. Mike Wynne, legal counsel, provided details regarding wording of documents. Board Member Matt Brown made the motion to table Item XI. Board Member Ken Brawley seconded the motion to table Item XI. Motion passed unanimously. Board Member Matt Brown made the motion to revisit Item X. Board Member Henry Koehler seconded the motion. Motion to revisit Item X passed unanimously.

XII. Consider all matters incident and related to the approval and execution of a Water and Sewer Facilities Contract with Arledge Ridge Water Supply Corporation.

General Manager Paul Sigle provided background information for the Board. Board Member Stanley Thomas made the motion to approve and execute a Water and Sewer Facilities Contract with Arledge Ridge Water Supply Corporation. Board Member Ken Brawley seconded the motion. Motion passed unanimously.

XIII. Consider and act upon a resolution by the Board of Directors of the Greater Texoma Utility Authority requesting financial assistance from the Texas Water Development Board, authorizing the filing of an application for assistance, and making certain findings in connection therewith (City of Sherman 10 MGD Expansion).

General Manager Paul Sigle provided background information for the Board. Board Member Stanley Thomas made the motion to approve a resolution by the Board of Directors of the Greater Texoma Utility Authority requesting financial assistance from the Texas Water Development Board, authorizing the filing of an application for assistance, and making certain findings in connection therewith (City of Sherman 10 MGD Expansion.) Board Member Matt Brown seconded the motion. Motion passed unanimously.

XIV. Consider and act upon the approval of an interlocal agreement between North Texas Municipal Water District, Upper Trinity Regional Water District, and Greater Texoma Utility Authority for a joint water supply study.

General Manager Paul Sigle provided background information for the Board. Discussion was held. Board Member Henry Koehler made the motion to approve the interlocal agreement with North Texas Municipal Water District, Upper Trinity Regional Water District, and Greater Texoma Utility Authority. Board Member Ken Brawley seconded the motion. Motion passed unanimously.

XV. Consider and act upon the professional services agreement with Freese and Nichols, Inc. to perform professional services in connection with the joint water supply study.

General Manager Paul Sigle provided background information for the Board. Discussion was held. Board Member Henry Koehler made the motion to approve the professional services agreement with Freese and Nichols, Inc. Board Member Stanley Thomas seconded the motion. Motion passed unanimously.

XVI. Consider and act upon authorizing the General Manager to engage specialized legal services for water rights.

General Manager Paul Sigle provided background information for the Board. Discussion was held. Board Member Ken Brawley made the motion to authorize the General Manager not to exceed \$50,000 and get a letter of engagement. If more than \$50,000 would require Board approval. Board Member Matt Brown seconded the motion. Motion passed unanimously.

XVII. Consider and act upon a resolution approving the Greater Texoma Utility Authority’s Water Conservation Plan, Water Resource, and Emergency Management Plan.

General Manager Paul Sigle provided background information for the Board. Nichole Murphy, Senior Project Manager, provided details for the Board. Conservation Coordinator is Nichole Murphy. Changes were made to the plan to meet the NTMWD requirements. Discussion was held. The Board requested that the plan be emailed to Board Members. Board Member Matt Brown made the motion to table Item XVII. Board Member Ken Brawley seconded the motion. Motion passed unanimously.

XVIII. Receive General Manager’s Report: The General Manager will update the Board on operational and other activities of the Authority.

- General Manager Paul Sigle introduced the new accounting employee, Billie Jo Tiner.
- TCEQ annual inspections were held.
- The city of Van Alstyne wants to annex a strip of easement property owned by GTUA.

XIX. Adjourn

Board Member Ken Brawley made the motion to adjourn. Board Member Matt Brown seconded the motion. Board President Brad Morgan declared the meeting adjourned at 1:13 p.m.

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Recording Secretary

Secretary-Treasurer

AGENDA ITEM V

RESOLUTION NO. _____

A RESOLUTION BY THE BOARD OF DIRECTORS OF THE
GREATER TEXOMA UTILITY AUTHORITY AUTHORIZING
PAYMENT OF ACCRUED LIABILITIES FOR THE MONTH OF MAY

The following liabilities are hereby presented for payment:	CURRENT	PRIOR MONTH	PRIOR YEAR
GENERAL:			
<u>Dues and Subscriptions</u>			
Elizabeth Lee (HR Management Org - Dues)	264.00		
<u>Fuel and Reimbursements for Mileage</u>			
Bank of Texas Visa (Vendor glitch could not use fuel cards)	157.73		
Eric Kuykendall (Reimbursement for Fuel, Vendor glitch could not use fuel cards)	35.00		
Nichole Murphy (Reimbursement for mileage)	45.56		
Paul Sigle (Reimbursement for Mileage)	58.95		
Richard McCool (Reimbursement for Fuel, Vendor glitch could not use fuel cards)	25.00		
Stacy Pactrick (Reimbursement for mileage)	21.04		
Velma Starks (Reimbursement for mileage)	18.19		
Valero Fleet Plus (Fuel - Operations Vehicles)	1,440.65		
Wayne Eiler (Reimbursement for Fuel, Vendor glitch could not use fuel cards)	19.47		
<u>Insurance</u>			
TWCA Risk Management (Workers' compensation insurance, March, April and May)	1,327.00		
<u>Leases/Rental Fees</u>			
North Texas Regional Airport (Lease - administrative offices)	2,494.64		
<u>Maintenance Agreements</u>			
Novatech (Konika-Minolta copier)	1,076.55		
<u>Meetings and Conferences</u>			
Feast On This (BOD Lunch)	293.91		
<u>Miscellaneous</u>			
Billie Jo Tiner (Reimbursement for New Hire Physical)	90.00		
Elizabeth Lee (Reimbursement for Job Ad - Zip Recruiter)	211.60		
Member City (City of Weston WWTP materials and supplies)	3,915.72		
Member City (City of Weston WWTP 30 Day cylinder rental for May 2024)	60.00		
Valley View Consulting (Investing fees)	18,750.00		
<u>Professional Services</u>			
Final Details (Cleaning Service)	585.00		
<u>Repair & Maintenance - Building & Equipment</u>			
Diamond Computers (QB server maintenance)	1,023.60		
Flores Heating & A/C (Cleaned and washed condensers)	620.00		
<u>Repair & Maintenance - Administrative and Operations Vehicles</u>			
Blake Utter Ford (Repaired 2016 F150 steering jerking, and inspection)	90.93		
Wayne Eiler (Reimbursment for O'Rieles 2019 F150 part)	19.47		
Whistle Stop (2014 F150 oil change and truck wash)	136.81		
Whistle Stop (2019 F150 oil change and truck wash)	124.01		
<u>Supplies</u>			
Bank of Texas Visa (General Office Supplies)	521.95		
Office Depot (General Office Supplies)	414.90		
<u>Uniforms</u>			
Richard McCool (Workboots)	187.88		
<u>Utilities</u>			
ATMOS Energy (Gas)	121.68		
City of Denison (Water, April and May)	626.20		
City of Sherman (Trash services)	85.00		
Shell Energy (Electric)	358.23		
Sparklight (Internet)	158.94		
Zulty Inc.(phone lines - local & long distance)	353.04		
Dave Tomlinson (Reimbursement for expenses)	25.00		
Eric Kyukendall (Reimbursement for expenses)	25.00		
Nichole Murphy (Reimbursement for expenses)	25.00		
Paul Sigle (Reimbursment for expense)	8.34		
Richard McCool (Reimbursement for expense)	25.00		
Stacy Patrick (Reimbursement for expense)	25.00		
Steve White (Reimbursement for expenses)	25.00		
Wayne Eiler (Reimbursement for expenses)	25.00		
TOTAL:	\$ 35,915.99	\$ 17,780.66	\$ 26,863.71
SOLID WASTE:			
<u>Supplies</u>			
Mathieson Tri Gas (Lease of Acety Cyl bottles at landfill)	195.00		
TOTAL:	\$ 195.00	\$ 935.62	\$ 2,263.55

	CURRENT	PRIOR MONTH	PRIOR YEAR
WASTEWATER:			
<u>Advertising</u>			
Archer Western (Pottsboro 2019 - WWTP Expansion & Rehab for .65 MGD flow rate. 54% complete. Pay App #13)	283,266.61		
<u>Construction Contracts</u>			
Antero Group (Bell 2022 - Waste Water Engineering)	877.50		
Lynn Vessels (Sherman 2019 - Sherman 1st street to Rosedale Sewer Replacement)	13,664.29		
Urban Infraconstruction (Bell 2022 - WWTP Rehabilitation Pay App #3)	189,833.75		
W. Brown Enterprise (Sherman 2021 - Westside Sanitary Sewer Replacement Pay App #1)	173,927.71		
<u>Engineering Fees</u>			
Freeman-Millican (Sherman 2019 - NW Sewer & Force Main 100% Final)	349.20		
Geotext Engineering (Sherman 2021 - West Side Sanitary Sewer Taylor & West Side)	787.88		
Kiewit Water (Sherman 2023 - WWTP MBR Pay App #8)	7,076,065.86		
Mead & Hunt (Sherman 2017 - Post Oak WWTP Aeration & Secondary Treatment services for April 2024)	1,326.25		
Mead & Hunt (Sherman 2022 - TPDES permit Amendment Support for the period of March 2024)	4,838.75		
Plummer (Sherman 2022 - Industrial WW Support - WWT and Water Reuse Master Plan through 3/29/24)	2,750.00		
Plummer (Sherman 2023 - Industrial WW Support - WWT and Water Reuse Master Plan through 3/29/24)	1,119,374.57		
Plummer (Sherman 2022 - Sherman WWTP electrical switchgear design services through 4/26/24)	15,682.78		
TOTAL:	\$ 8,882,745.15	\$ 10,626,156.62	\$ 2,455,419.89
WATER:			
<u>Construction Costs</u>			
Archer Western (Sherman 2022 - WTP Expansion Pkg #1, Pay app #14)	827,504.01		
Archer Western (Sherman 2022 - WTP Expansion Pkg #1, Pay app #15)	250,194.40		
FCX Performance Company (Sherman 2023 - Sherman WTP Pioneer 66S12 Trailer Pump Package)	106,732.50		
Gamey Company (Sherman 2023 - CMAR 36" NW/SW water main transmission line Pay App #10)	2,009,791.05		
Landmark (Princeton 2022 - 2.5 MG Elevated Storage Tank. Pay App #20 100% work completed)	30,599.50		
Landmark (Van Alstyne 2021 - 750K gallon Elevated Storage Tank & Site improvements at Well Site #5. Pay App #2)	202,872.50		
Machining & Valve Automation (Sherman 2023 - WTP equipment. Replacement of PVC Butterfly & Ball Valves)	49,056.00		
Patterson Professional (Paradise 2018 - Last of retainage for Final Pay App #13)	84,277.85		
Red River Construction (CGMA - Bloomdale Pump Station Improvements Pay App #6)	142,996.85		
<u>Engineering Fees</u>			
Antero Group (Bell 2022 - Groundwater well Admin Cost for Oct 2022)	12,381.25		
Antero Group (Bell 2022 - Groundwater well Admin Cost for Oct 2022)	2,838.75		
Antero Group (Bell 2022 - Groundwater well Admin Cost for Nov 2022)	2,356.25		
Antero Group (Bell 2022 - Groundwater well Admin Cost for Nov 2022)	5,067.50		
Antero Group (Bell 2022 - Groundwater well Admin Cost for Dec 2022)	15,676.25		
Antero Group (Bell 2022 - Groundwater well Admin Cost for Jan 2023)	17,840.00		
Antero Group (Bell 2022 - Groundwater well Admin Cost for Feb 2023)	4,075.00		
Antero Group (Bell 2022 - Groundwater well Admin Cost for March 2023)	3,200.00		
Antero Group (Bell 2022 - Groundwater well Admin Cost for April 2023)	5,430.00		
Antero Group (Bell 2022 - Groundwater well Admin Cost for May 2023)	4,275.00		
Antero Group (Bell 2022 - Groundwater well Admin Cost for June 2023)	748.92		
Antero Group (Bell 2022 - Groundwater well Admin Cost for April 2024)	5,287.13		
CobbFendley (LK Kiowa 2021 - Const PH 4 Construction & Civil Eng for the period of 3/10/24)	1,500.00		
CobbFendley (LK Kiowa 2021 - Const PH 4 Construction & Civil Eng for the period of 4/7/24)	1,200.00		
BNSFR Railway Company (Sherman 2022 - 23W-17314; Red River Division; LS: 1046, MP: 651.94 Revised Prebore Drawing for 36" pipe line)	2,000.00		
Freeman-Millican (CGMA - Bloomdale Pump Station Phase 2 Engineering services)	32,005.00		
Freeman-Millican (CGMA - General Engineering Consultation services through March 2024)	1,617.50		
Freese & Nichols (Sherman 2023 - Lead & Copper Rule Revision for PH2 89% complete for services through 4/5/24)	76,840.96		
Freese & Nichols (Sherman 2022 - Shepherd 2.0 MG elevated Storage Tank for services through 4/30/24)	1,897.50		
Freese & Nichols (Sherman 2022 - Northwest & Southwest Transmission Pipeline engineering services through 5/1/24)	82,868.79		
Freese & Nichols (Sherman 2023 - Lake Texoma Pump Station Expansion period through 4/30/24)	6,237.85		
City of Gainesville (Gainesville 2022 - Reimbursement to the city for the Water line project inspection & observation serv. for the period of 12/31/23)	39,000.00		
City of Gainesville (Gainesville 2022 - Reimbursement to the city for the Water line project inspection & observation serv. for the period of 1/31/24)	32,500.00		
City of Gainesville (Gainesville 2022 - Reimbursement to the city for the Water line project inspection & observation serv. for the period of 2/29/24)	23,750.00		
City of Gainesville (Gainesville 2022 - Reimbursement to the city for the Water line project inspection & observation serv. for the period of 3/31/24)	33,250.00		
Garver (Sherman 2022 - WTP Expansion project. Professional Engineering Services through 3/29/24)	159,680.06		
Garver (Sherman 2023 - Expansion project. Professional Engineering Services through 3/29/24)	478,428.02		
Garver (Sherman 2023 - WTP Expansion project. Professional Engineering Services through 4/26/24)	369,105.97		
Geotext Engineering (Sherman 2023 - WTP Concentrate Discharge System Project management for April 2024)	395.67		
Geotext Engineering (Sherman 2022 - Materials, Equipment etc for 36" West Sherman Water Main for April 2024)	35,213.96		
Hayter Engineering (Sherman 2021 - Legacy Surface Water Line & SW Booster Pump Station 94% complete)	4,878.56		
Pape-Dawson (Sherman 2023 - WTP Concentrate Discharge & Outfall Design services through 4/26/24)	2,766.61		
Pape-Dawson (Sherman 2022 - Sherman Program Management services through 2/23/24. TI infrastructure improvements program)	417,840.29		
Pape-Dawson (Sherman 2022 - Sherman Program Management services through 4/26/24. TI infrastructure improvements program)	271,777.98		
Pape-Dawson (Sherman 2023 - WTP Concentrate Discharge & Outfall Design services through 3/29/24)	14,713.50		
Pape-Dawson (Sherman 2022 - Sherman Program Management services through 3/29/24. TI infrastructure improvements program)	420,928.47		
Parkhill (Sherman 2021 - Sherman emergency power generation for December 2023 engineering services)	822.50		
Parkhill (Sherman 2021 - Sherman emergency power generation for April 2024 engineering services)	959.00		
<u>Groundwater</u>			
American Express (NTGCD - Uniform embroidery, GoDaddy MS 365 Email Essentials renewals)	405.30		
American Express (RRGCD - Embroidery for Uniforms)	22.50		
AT&T Mobility (NTGCD - W. Parkman - Cell Phone)	86.35		
Allen Burks (NTGCD - Reimbursement)	12.50		
Allen Burks (RRGCD - Reimbursement)	12.50		
Bank of Texas Visa (NTGCD - Banking Checks)	112.88		
Bank of Texas Visa (RRGCD - Banking Checks, Grayson County public meeting notice)	115.88		
Kenneth Elliott (NTGCD - Reimbursement, Uniforms)	99.06		
Kenneth Elliott (RRGCD - Reimbursement)	34.14		
Lowe's (NTGCD - Wasp spray, Mesquito Spray, hard hat)	32.30		
Lowe's (RRGCD - Wasp spray, Mesquito Spray, hard hat)	32.31		

	CURRENT	PRIOR MONTH	PRIOR YEAR
Paul Sigle (NTGCD - Reimbursement, mileage)	279.88		
Paul Sigle (RRGCD - Reimbursement, mileage)	150.71		
Valero Fleet Plus (NTGCD - Fuel)	361.16		
Velma Starks (NTGCD - Mileage Reimbursement)	21.25		
Velma Starks (RRGCD - Mileage Reimbursement)	34.17		
Zully, Inc. (NTGCD - 800 line, local & long distance)	353.04		
Zully, Inc. (RRGCD - 800 line, local & long distance)	353.04		
<u>Miscellaneous</u>			
BLX Group (Van Alstyne 2015 - Interim Arbitrage Rebate Report for period ending 9/30/23 with extra fees)	1,500.00		
BLX Group (Sherman 2006 - Interim Arbitrage Rebate Report for period ending 9/30/23)	500.00		
BLX Group (Tom Bean 2017 - Interim Arbitrage Rebate Report for period ending 9/30/23)	500.00		
<u>Paying Agent Fees</u>			
Bank of Texas Trust (Tom Bean 2015 - GTUATEBEAN15 7/1/24)	300.00		
Bank of Texas Trust (Tom Bean 2017 - GTUATEBEAN17 7/1/24)	300.00		
<u>CGMA Equipment</u>			
Stewart & Stevenson (CGMA - Bloomdale emergency generator lease)	6,489.00		
<u>CGMA Repair & Maintenance</u>			
Enviornmental Monitoring Lab (CGMA - Nitrate Nitrogen, Nitrite Nitrogen Water tests, multiple test sites along water lines)	1,104.00		
Kemp Lawn Maintenance (CGMA - Bloomdale Pump Station)	380.00		
Murley Plumbing (CGMA - Service for Anna, Van Alstyne, Howe locations to repair and maintain vault apperatices and switches)	5,692.00		
Murley Plumbing (CGMA - Installed man hole cover and metal ring for Air View Parking lot in Van Alstyne)	3,180.76		
Murley Plumbing (CGMA - Removed and installed concrete and leveled Earth for Water Boxes at various locations)	16,250.00		
Texas Excavation Safety System, Inc. (CGMA - Message Fees)	172.50		
<u>Supplies</u>			
Bank of Texas Visa (CGMA - Batteries for Power Tools, printer ink and bank checks)	828.41		
National Wholesale Supply (CGMA - 2 PVC SCH 40 Thread Cap)	8.59		
Tractor Supply (CGMA - Bug Killer, Weed Killer, and Brush kit)	503.28		
USA Bluebook (CGMA - Various materials and Suplies for maintenance and repairs)	3,413.42		
<u>CGMA Utilities</u>			
A1 Little John (CGMA - Bloomdale P.S. - Portable toilet rental from	130.44		
AT & T Mobility (CGMA - Emergency back up lines)	112.96		
AT & T U-Verse (CGMA - Bloomdale Pump Station, Internet)	63.80		
North Texas Municipal Water District (Water Usage)	509,134.00		
Shell Energy (Bloomdale Pump Station, April & May)	27,121.17		
Waste Connections Lone Star (CGMA - Bloomdale Pump Station trash collection)	97.22		
<u>CGMA Transportation</u>			
Steve White (Reimbursement for Fuel, Vendor glitch, gas cards did not work)	78.72		
Valero (CGMA - Fuel for 2023 F250)	382.21		
Whistle Stop Oil Change (CGMA - Oil Change, Truck Wash for 2023 F250)	114.42		
TOTAL:	\$ 6,876,254.77	\$ 9,004,027.36	\$ 7,280,355.08
GRAND TOTAL:	\$ 15,795,110.91	\$ 19,648,900.26	\$ 9,764,902.23

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE GREATER TEXOMA UTILITY AUTHORITY THAT the Secretary-Treasurer is hereby authorized to make payments in the amounts listed above.

On motion of _____ and

seconded by _____, the foregoing

Resolution was passed and approved on this, the _____ day of _____, _____ by the following vote:

AYE:
NAY:

At a regular meeting of the Board of Directors of the Greater Texoma Utility Authority.

President

ATTEST:

Secretary/Treasurer

AGENDA ITEM VI

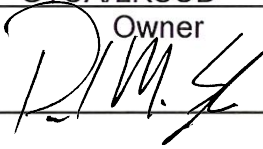
CHANGE ORDER No. 2

ENGINEER'S Project No.: _____
PROJECT: GTUA/_____
CONTRACTOR: A&B Construction, LLC

ORIGINAL CONTRACT Amount: **\$3,752,165.00** CONTRACT Date: 7/13/2022

TO: A&B Construction, LLC
CONTRACTOR

You are directed to make the changes noted below in the subject Contract:

GTUA/LKSUD
Owner
By: 
Dated: 6/3/2024

NATURE OF CHANGES:

LINE ITEM	DESCRIPTION	
502	Decrease Total Quantity from 5300 LF to 5043 LF	-\$23,130.00
506	Decrease Total Quantity from 3500 LF to 3100 LF	-\$36,000.00
519	Decrease Total Quantity from 3 EA to 1 EA	-\$11,000.00
526	Increase Total Quantity from 10 EA to 15 EA	+\$7,000.00
	Material On Hand Not Installed	-\$16,372.50
		-\$79,502.50

A summary of the changes is attached.

These changes result in the following adjustment of Contract Price and Contract Time:

Original Contract Price:	\$	<u>3,752,165.00</u>
Change Order No. 1:	\$	<u>379,828.98</u>
Change Order No. 2:	\$	<u>-79,502.50</u>
New Contract Price:	\$	<u>4,052,491.48</u>
Percent Change:		<u>8.0%</u>

The Above Changes are Recommended for Approval:

Michael Duval
Engineer

By: Michael Duval, P.E., Cobb, Fendley & Associates, Inc.

Dated: 5/22/2024

Ann Carpenter
Contractor

By: ANN CARPENTER, Managing Member

Dated: 5/28/2024

The Above Changes are Accepted by:

LAKE KIOWA S.V.D.
City/Entity

By: Rodney Brown

Dated: 5-31-24

AGENDA ITEM VII

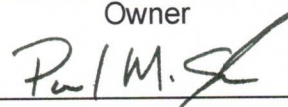
CHANGE ORDER No. 1

ENGINEER'S Project No.: 3525-006-01
PROJECT: **GTUA/ City of Bells**
CONTRACTOR: Urban Infraconstruction

ORIGINAL CONTRACT Amount: \$ **1,400,500.00** CONTRACT Date: December 13, 2024

TO: Urban Infraconstruction, LLC
CONTRACTOR

You are directed to make the changes noted below in the subject Contract:

GTUA/City of Bells
Owner
By: 
Dated: 6/10/24

NATURE OF CHANGES:

- 1) Credit Item No. ADD-1 for \$20,000.00 for all work required to clean floors and walls of oxidation ditch without removing the unit from service as specified on Drawing M-300.
- 2) Expedite submersible pump delivery of the headworks pumps with air freight for a cost of \$2,784.00. Delivery is estimated to be 3 to 4 weeks of authorization. See attached email from Contractor.

A summary of the changes is attached.

These changes result in the following adjustment of Contract Price and Contract Time:

Original Contract Price:	\$ <u>1,420,500.00</u>
Change Order No. 1:	\$ <u>-17,216.00</u>
Credit:	\$ <u>17,216.00</u>
New Contract Price:	\$ <u>1,403,284.00</u>
Percent Change:	<u>-1.21 %</u>

The Above Changes are Recommended for Approval:

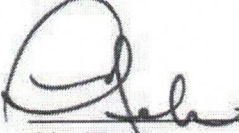
Plummer Associates, Inc
Engineer

By: Paula Monaco

Dated: May 21, 2024


Digitally signed by Martha M Gonzalez-Munoz
DN: C=US,
E=mgonzalezmunoz@urbaniconstruct.com,
O="Urban Infrastructure, LLC", OU=Area
Manager- Water Resources, CN=Martha M
Gonzalez-Munoz
Date: 2024.06.06 18:19:59-05'00'
Dated: _____

The Above Changes are Accepted by:


City/Entity _____

By: Cody Nelson

Dated: May 21, 2024

AGENDA ITEM IX



GREATER TEXOMA UTILITY AUTHORITY

AGENDA COMMUNICATION

DATE: June 13, 2024

SUBJECT: AGENDA ITEM NO. IX

PREPARED BY: Stacy Patrick, Project Manager
AND SUBMITTED BY: Paul M. Sigle, General Manager

CONSIDER AND ACT UPON AWARD OF CONTRACT FOR CITY OF SHERMAN'S POST OAK SANITARY SEWER IMPROVEMENTS

ISSUE

Consider and act upon award of Contract for City of Sherman Post Oak Sanitary Sewer Improvements Project.

BACKGROUND

The project was originally requested to be initiated by the City of Sherman's Utilities Department back in 2021. The concern was wastewater lines that were in Post Oak Creek and an adjacent wastewater line going up a stream north, crossing Vancouver Street, that were exposed and in danger of breaking. Pipeline hardening measures were implemented to temporarily protect the line. Subsequently, the City of Sherman conducted an engineering analysis and route study to assess the most cost-effective and sustainable options for the installation of new pipelines. After assessing the situation, it was decided that re-routing the wastewater lines would be the most optimal course of action. The design for the re-routing has been finalized.

This project consists of approximately 8,306 linear feet of sanitary sewer line replacement (6", 8", 15" 18" & 21" diameters); of which 400 linear feet is by other than open cut and 42 linear feet is through an encased aerial crossing, manholes and sewer laterals. Project shall include all necessary labor, materials, and testing.

CONSIDERATIONS

The City of Sherman accepted six bids for the project on April 30, 2024, at Sherman City Hall. Western Municipal Construction of Texas, LLC had the lowest bid at \$4,128,495.30. The City's engineer, Huitt-Zollars Incorporated, has determined the bid represents good value for the City and is recommending awarding the construction contract to Western Municipal Construction of Texas, LLC.

The last sentence in section 12.11 that concerned the Board has been removed from the agreement.

STAFF RECOMMENDATIONS

The Authority Staff recommends authorizing the General Manager to award the contract to Western Municipal Construction of Texas, LLC in the amount of \$4,128,495.30.

ATTACHED

Bid Tabulation
Recommendation of Award



May 10, 2024

Mr. Tom Pruitt, PE
Utility Engineer
City of Sherman
220 W. Mulberry St.
Sherman, TX 75090

Re: Recommendation of Award
Post Oak Sanitary Sewer Improvements

Dear Mr. Pruitt:

Huitt-Zollars, Inc. has reviewed the low bid submitted by Western Municipal Construction of Texas, LLC and has determined that they meet the minimum required qualifications and provided sufficient recommendations to verify their capabilities for this project.

Sincerely,

HUITT-ZOLLARS, INC.

A handwritten signature in blue ink, appearing to read 'Kellen Robertson'.

Kellen Robertson, PE
Sr. Associate

ITEM NO.	ITEM DESCRIPTION	UNIT	QUANTITY	AVERAGE UNIT PRICE	WESTERN MUNICIPAL CONSTRUCTION		J&L CONSTRUCTION		DICKERSON CONSTRUCTION		CANARY CONSTRUCTION		FM UTILITIES		ATKINS BROS. EQUIP. CO.		LYNN VESSELS CONSTRUCTION		
					UNIT PRICE	BID TOTAL	UNIT PRICE	BID TOTAL	UNIT PRICE	BID TOTAL	UNIT PRICE	BID TOTAL	UNIT PRICE	BID TOTAL	UNIT PRICE	BID TOTAL	UNIT PRICE	BID TOTAL	UNIT PRICE
BASE BID (LINE B)																			
B.1	MOBILIZATION	LS	1	\$ 130,700.72	\$ 275,000.00	\$ 275,000.00	\$ 100,259.00	\$ 100,259.00	\$ 150,000.00	\$ 150,000.00	\$ 130,000.00	\$ 130,000.00	\$ 148,246.02	\$ 148,246.02	\$ 10,000.00	\$ 10,000.00	\$ 101,400.00	\$ 101,400.00	
B.2	BARRICADES, SIGN AND TRAFFIC CONTROL	LS	1	\$ 25,708.05	\$ 6,000.00	\$ 6,000.00	\$ 37,631.00	\$ 37,631.00	\$ 63,000.00	\$ 63,000.00	\$ 25,000.00	\$ 25,000.00	\$ 19,573.83	\$ 19,573.83	\$ 10,000.00	\$ 10,000.00	\$ 18,737.50	\$ 18,737.50	
B.3	REMOVE & DISPOSE ASPHALT PAVING	SY	2,285	\$ 48.26	\$ 33.00	\$ 74,745.00	\$ 8.10	\$ 18,346.50	\$ 30.00	\$ 67,950.00	\$ 150.00	\$ 339,750.00	\$ 55.56	\$ 125,843.40	\$ 40.00	\$ 90,600.00	\$ 21.40	\$ 48,471.00	
B.4	REPLACE ASPHALT TRENCH PAVEMENT	SY	2,285	\$ 142.94	\$ 71.00	\$ 160,815.00	\$ 131.56	\$ 297,983.40	\$ 80.00	\$ 181,200.00	\$ 175.00	\$ 396,375.00	\$ 197.16	\$ 446,567.40	\$ 191.00	\$ 432,615.00	\$ 154.89	\$ 350,825.85	
B.5	REMOVE & DISPOSE CONCRETE CURB & GUTTER	LF	19	\$ 78.96	\$ 17.00	\$ 323.00	\$ 5,567.00	\$ 106.00	\$ 1,900.00	\$ 50.00	\$ 950.00	\$ 22.75	\$ 432.25	\$ 20.00	\$ 380.00	\$ 50.00	\$ 950.00		
B.6	REPLACE CONCRETE CURB & GUTTER	LF	19	\$ 105.30	\$ 45.00	\$ 855.00	\$ 290.21	\$ 5,513.99	\$ 125.00	\$ 2,375.00	\$ 50.00	\$ 950.00	\$ 56.92	\$ 1,081.48	\$ 110.00	\$ 2,090.00	\$ 60.00	\$ 1,140.00	
B.7	NOT USED	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
B.8	4" DOUBLE YELLOW THERMOPLASTIC STRIPE	LF	206	\$ 39.30	\$ 1.25	\$ 257.50	\$ 173.72	\$ 35,796.32	\$ 30.00	\$ 6,180.00	\$ 40.00	\$ 8,240.00	\$ 4.88	\$ 1,005.28	\$ 4.00	\$ 824.00	\$ 21.24	\$ 4,375.44	
B.9	ABANDON EXISTING MANHOLE	EA	5	\$ 1,623.79	\$ 1,775.00	\$ 8,875.00	\$ 1,854.80	\$ 9,274.00	\$ 1,000.00	\$ 5,000.00	\$ 1,500.00	\$ 7,500.00	\$ 1,011.72	\$ 5,058.60	\$ 2,000.00	\$ 10,000.00	\$ 2,225.00	\$ 11,225.00	
B.10	REMOVE EXISTING MANHOLE	EA	7	\$ 2,049.99	\$ 1,900.00	\$ 13,300.00	\$ 692.43	\$ 4,847.01	\$ 3,000.00	\$ 21,000.00	\$ 2,000.00	\$ 14,000.00	\$ 1,819.97	\$ 12,739.79	\$ 3,000.00	\$ 21,000.00	\$ 1,937.50	\$ 13,562.50	
B.11	ANTI-SEEPAGE COLLAR	EA	12	\$ 1,284.02	\$ 2,020.00	\$ 24,240.00	\$ 838.75	\$ 10,065.00	\$ 1,500.00	\$ 18,000.00	\$ 650.00	\$ 7,800.00	\$ 2,635.65	\$ 31,627.80	\$ 1,000.00	\$ 12,000.00	\$ 343.75	\$ 4,125.00	
B.12	18" PVC SANITARY SEWER PIPE — SDR 26	LF	2,794	\$ 369.98	\$ 290.00	\$ 810,260.00	\$ 266.92	\$ 745,774.48	\$ 400.00	\$ 1,117,600.00	\$ 295.00	\$ 824,230.00	\$ 349.40	\$ 976,233.60	\$ 450.00	\$ 1,257,300.00	\$ 538.51	\$ 1,504,596.94	
B.13	18" PVC SANITARY SEWER PIPE — SDR 26 (OVER 20' DEEP)	LF	522	\$ 458.23	\$ 156.00	\$ 81,332.00	\$ 355.92	\$ 185,790.24	\$ 454.00	\$ 236,988.00	\$ 340.00	\$ 177,480.00	\$ 641.06	\$ 334,633.32	\$ 600.00	\$ 313,200.00	\$ 660.65	\$ 344,859.30	
B.14	18" PVC SANITARY SEWER PIPE — SDR 26	LF	1,693	\$ 145.62	\$ 67.00	\$ 107,401.00	\$ 180.40	\$ 299,181.20	\$ 73.00	\$ 117,019.00	\$ 95.00	\$ 152,285.00	\$ 131.48	\$ 210,762.44	\$ 200.00	\$ 320,600.00	\$ 272.48	\$ 436,785.44	
B.15	6" PVC SANITARY SEWER PIPE — SDR 26	LF	7	\$ 17.17	\$ 200.00	\$ 1,400.00	\$ 152.29	\$ 1,066.03	\$ 120.00	\$ 840.00	\$ 90.00	\$ 630.00	\$ 92.15	\$ 645.05	\$ 190.00	\$ 1,330.00	\$ 395.77	\$ 2,770.39	
B.16	5" DIA. PRECAST FLAT TOP SSMH	EA	10	\$ 19,478.69	\$ 14,150.00	\$ 141,500.00	\$ 18,913.90	\$ 189,139.00	\$ 15,000.00	\$ 150,000.00	\$ 16,000.00	\$ 160,000.00	\$ 35,077.53	\$ 350,775.30	\$ 21,000.00	\$ 210,000.00	\$ 16,209.37	\$ 162,093.70	
B.17	4" DIA. PRECAST FLAT TOP SSMH	EA	14	\$ 10,984.18	\$ 6,050.00	\$ 84,700.00	\$ 10,224.21	\$ 143,138.94	\$ 8,000.00	\$ 112,000.00	\$ 8,500.00	\$ 119,000.00	\$ 17,899.87	\$ 206,598.18	\$ 19,000.00	\$ 286,000.00	\$ 7,215.18	\$ 101,012.52	
B.18	RECONNECT EXISTING SANITARY SEWER SERVICE	EA	28	\$ 2,165.12	\$ 1,000.00	\$ 28,000.00	\$ 1,709.32	\$ 47,860.96	\$ 1,500.00	\$ 42,000.00	\$ 3,500.00	\$ 98,000.00	\$ 2,796.52	\$ 78,302.56	\$ 1,800.00	\$ 44,800.00	\$ 3,050.00	\$ 85,400.00	
B.19	CONNECT TO EXISTING SANITARY SEWER	EA	9	\$ 5,246.56	\$ 2,250.00	\$ 20,250.00	\$ 2,836.11	\$ 25,224.99	\$ 14,000.00	\$ 126,000.00	\$ 3,500.00	\$ 31,500.00	\$ 4,188.44	\$ 37,696.96	\$ 1,000.00	\$ 9,000.00	\$ 8,951.39	\$ 80,562.51	
B.20	B.O.T.C. STEEL ENCASEMENT	LF	400	\$ 873.58	\$ 830.00	\$ 332,000.00	\$ 645.17	\$ 258,068.00	\$ 700.00	\$ 280,000.00	\$ 1,200.00	\$ 480,000.00	\$ 1,001.60	\$ 400,640.00	\$ 950.00	\$ 380,000.00	\$ 788.26	\$ 315,304.00	
B.21	PLACEMENT OF BLOCK SODDING	SY	1,726	\$ 19.96	\$ 9.50	\$ 16,397.00	\$ 26.23	\$ 45,272.98	\$ 25.00	\$ 43,150.00	\$ 15.00	\$ 25,890.00	\$ 17.45	\$ 30,118.70	\$ 40.00	\$ 69,040.00	\$ 6.56	\$ 11,322.56	
B.22	FLOWABLE BACKFILL	CY	50	\$ 290.24	\$ 390.00	\$ 19,500.00	\$ 273.88	\$ 13,694.00	\$ 250.00	\$ 12,500.00	\$ 400.00	\$ 20,000.00	\$ 292.78	\$ 14,639.00	\$ 200.00	\$ 10,000.00	\$ 225.00	\$ 11,250.00	
B.23	TV INSP. OF NEW SANITARY SEWER LINES	LF	4,926	\$ 3.72	\$ 1.05	\$ 5,172.30	\$ 4.43	\$ 21,822.18	\$ 5.00	\$ 24,630.00	\$ 3.00	\$ 14,778.00	\$ 5.00	\$ 24,630.00	\$ 6.00	\$ 29,556.00	\$ 1.56	\$ 7,684.56	
B.24	TRENCH EXCAVATION SAFETY AND SUPPORT	LF	4,484	\$ 10.82	\$ 1.00	\$ 4,484.00	\$ 13.42	\$ 60,175.28	\$ 5.00	\$ 22,420.00	\$ 3.00	\$ 13,452.00	\$ 10.80	\$ 48,427.20	\$ 40.00	\$ 179,360.00	\$ 2.50	\$ 11,210.00	
B.25	SWPPP	LS	1	\$ 10,261.98	\$ 11,000.00	\$ 11,000.00	\$ 9,950.00	\$ 9,950.00	\$ 8,000.00	\$ 8,000.00	\$ 12,500.00	\$ 12,500.00	\$ 11,389.89	\$ 11,389.89	\$ 10,000.00	\$ 10,000.00	\$ 9,000.00	\$ 9,000.00	
B.26	CONSTRUCTION STAKING	LS	1	\$ 17,947.03	\$ 8,300.00	\$ 8,300.00	\$ 19,337.00	\$ 19,337.00	\$ 18,000.00	\$ 18,000.00	\$ 16,500.00	\$ 16,500.00	\$ 14,742.24	\$ 14,742.24	\$ 30,000.00	\$ 30,000.00	\$ 18,750.00	\$ 18,750.00	
B.27	30" DRILL SHAFTS	LF	40	\$ 528.83	\$ 600.00	\$ 24,000.00	\$ 1,093.38	\$ 43,735.20	\$ 600.00	\$ 24,000.00	\$ 210.00	\$ 8,400.00	\$ 461.03	\$ 18,441.20	\$ 300.00	\$ 12,000.00	\$ 416.41	\$ 16,564.40	
B.28	PIER CAP CLASS "C" CONCRETE	CY	2.5	\$ 4,743.02	\$ 13,400.00	\$ 33,500.00	\$ 10,868.80	\$ 27,172.00	\$ 2,500.00	\$ 6,250.00	\$ 1,200.00	\$ 3,000.00	\$ 819.85	\$ 2,049.63	\$ 1,900.00	\$ 4,750.00	\$ 2,512.50	\$ 6,281.25	
B.29	PIPE ENCASEMENT	LF	42	\$ 471.73	\$ 535.00	\$ 22,470.00	\$ 659.40	\$ 27,694.80	\$ 400.00	\$ 16,800.00	\$ 400.00	\$ 16,800.00	\$ 512.20	\$ 21,512.40	\$ 400.00	\$ 16,800.00	\$ 395.48	\$ 16,610.16	
B.30	CONTINGENCY ALLOWANCE	LS	1	\$ 236,000.00	\$ 236,000.00	\$ 236,000.00	\$ 236,000.00	\$ 236,000.00	\$ 236,000.00	\$ 236,000.00	\$ 236,000.00	\$ 236,000.00	\$ 236,000.00	\$ 236,000.00	\$ 236,000.00	\$ 236,000.00	\$ 236,000.00	\$ 236,000.00	
SUBTOTAL BASE BID (LINE B)					\$ 2,552,176.80		\$ 2,915,670.50		\$ 3,110,802.00		\$ 3,341,010.00		\$ 3,854,396.52		\$ 3,989,245.00		\$ 3,932,882.02		
ALTERNATE BID (LINE A)																			
A.1	MOBILIZATION	LS	1	\$ 93,760.16	\$ 255,000.00	\$ 255,000.00	\$ 81,966.00	\$ 81,966.00	\$ 87,500.00	\$ 87,500.00	\$ 75,000.00	\$ 75,000.00	\$ 79,205.11	\$ 79,205.11	\$ 10,000.00	\$ 10,000.00	\$ 67,650.00	\$ 67,650.00	
A.2	BARRICADES, SIGN & TRAFFIC CONTROL	LS	1	\$ 22,875.92	\$ 5,600.00	\$ 5,600.00	\$ 41,725.00	\$ 41,725.00	\$ 49,000.00	\$ 49,000.00	\$ 20,000.00	\$ 20,000.00	\$ 15,075.96	\$ 15,075.96	\$ 10,000.00	\$ 10,000.00	\$ 18,737.50	\$ 18,737.50	
A.3	REMOVE & DISPOSE ASPHALT PAVING	SY	2,205	\$ 52.93	\$ 33.00	\$ 72,765.00	\$ 11.20	\$ 24,696.00	\$ 30.00	\$ 66,150.00	\$ 175.00	\$ 385,875.00	\$ 59.86	\$ 131,991.30	\$ 40.00	\$ 88,200.00	\$ 21.46	\$ 47,319.30	
A.4	REPLACE ASPHALT TRENCH PAVEMENT	SY	2,205	\$ 137.52	\$ 71.00	\$ 156,555.00	\$ 144.46	\$ 318,534.30	\$ 80.00	\$ 176,400.00	\$ 150.00	\$ 330,750.00	\$ 198.45	\$ 437,682.25	\$ 191.00	\$ 421,155.00	\$ 127.70	\$ 281,578.50	
A.5	NOT USED	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
A.6	4" DOUBLE YELLOW THERMOPLASTIC STRIPE	LF	390	\$ 21.67	\$ 1.25	\$ 487.50	\$ 60.32	\$ 23,524.80	\$ 30.00	\$ 11,700.00	\$ 40.00	\$ 15,600.00	\$ 4.88	\$ 1,903.20	\$ 4.00	\$ 1,560.00	\$ 11.22	\$ 4,375.80	
A.7	ABANDON EXISTING MANHOLE	EA	6	\$ 1,553.82	\$ 1,775.00	\$ 10,650.00	\$ 1,359.17	\$ 8,155.02	\$ 1,000.00	\$ 6,000.00	\$ 1,500.00	\$ 9,000.00	\$ 1,075.90	\$ 6,455.40	\$ 2,000.00	\$ 12,000.00	\$ 2,166.67	\$ 13,000.02	
A.8	ANTI-SEEPAGE COLLAR	EA	9	\$ 1,442.86	\$ 2,020.00	\$ 18,180.00	\$ 1,877.56	\$ 16,898.04	\$ 1,500.00	\$ 13,500.00	\$ 650.00	\$ 5,850.00	\$ 2,708.68	\$ 24,378.12	\$ 1,000.00	\$ 9,000.00	\$ 343.75	\$ 3,093.75	
A.9	21" PVC SANITARY SEWER PIPE — SDR 26	LF	1,817	\$ 388.44	\$ 315.00	\$ 572,355.00	\$ 302.52	\$ 549,678.84	\$ 445.00	\$ 808,565.00	\$ 295.00	\$ 536,015.00	\$ 287.92	\$ 523,150.64	\$ 475.00	\$ 863,075.00	\$ 598.67	\$ 1,087,783.39	
A.10	15" PVC SANITARY SEWER PIPE — SDR 26	LF	7	\$ 358.13	\$ 290.00	\$ 2,030.00	\$ 566.57	\$ 3,965.99	\$ 275.00	\$ 1,925.00	\$ 240.00	\$ 1,680.00	\$ 331.10	\$ 2,317.70	\$ 300.00	\$ 2,100.00	\$ 504.24	\$ 3,529.68	
A.11	8" PVC SANITARY SEWER PIPE — SDR 26	LF	1,566	\$ 149.03	\$ 57.00	\$ 88,692.00	\$ 163.18	\$ 253,908.08	\$ 75.00	\$ 116,700.00	\$ 95.00	\$ 147,820.00	\$ 131.46	\$ 204,551.76	\$ 200.00	\$ 311,200.00	\$ 321.54	\$ 500,316.24	
A.12	5" DIA. PRECAST FLAT TOP SSMH	EA	7	\$ 19,344.27	\$ 18,800.00	\$ 131,600.00	\$ 17,905.43	\$ 125,338.01	\$ 15,000.00	\$ 105,000.00	\$ 16,000.00	\$ 112,000.00	\$ 30,524.84	\$ 213,673.88	\$ 21,000.00	\$ 147,000.00	\$ 16,179.64	\$ 113,257.48	
A.13	4" DIA. PRECAST FLAT TOP SSMH	EA	6	\$ 11,920.10	\$ 8,050.00	\$ 48,300.00	\$ 12,201.67	\$ 73,210.02	\$ 9,000.00	\$ 81,000.00	\$ 6,500.00	\$ 51,000.00	\$ 18,817.79	\$ 112,968.74	\$ 19,000.00	\$ 114,000.00	\$ 7,871.25	\$ 47,227.50	
A.14	RECONNECT EXISTING SANITARY SEWER SERVICE	EA	34	\$ 2,239.60	\$ 1,500.00	\$ 51,000.00	\$ 1,948.71	\$ 66,256.14	\$ 1,500.00	\$ 51,000.00	\$ 3,500.00	\$ 119,000.00	\$ 2,828.52	\$ 96,169.68	\$ 1,800.00	\$ 54,400.00	\$ 2,800.00	\$ 95,200.00	
A.15	FURNISH & INSTALL SANITARY SEWER SERVICE	EA	5	\$ 2,															

AGREEMENT

THIS AGREEMENT is by and between the GREATER TEXOMA UTILITY AUTHORITY (“GTUA”), Western Municipal Construction of Texas, LLC a corporation (the “CONTRACTOR”). GTUA and CONTRACTOR are sometimes referred to collectively as the “parties” or individually as a “party.”

GTUA and CONTRACTOR, in consideration of the mutual covenants hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, agree as follows:

Article 1. WORK

CONTRACTOR shall complete all Work as specified or indicated in the Contract Documents (hereinafter defined) and shall furnish all personnel, labor, equipment, supplies and all other items necessary to provide the services and deliverables as specified by the terms and conditions of the Contract Documents (collectively, the “Work”). The Work is generally described as follows:

Post Oak Sanitary Sewer Improvements

Article 2. ENGINEER

The Project has been designed by Huitt-Zollars, Dallas, Texas, who is hereinafter called ENGINEER and who is to act as GTUA'S representative, assume all duties and responsibilities and have the rights and authority assigned to ENGINEER in the Contract Documents in connection with completion of the Work in accordance with the Contract Documents.

Article 3. CONTRACT TIME

- 3.1 The Work must be substantially completed and ready for final payment within 240 calendar days from the date when the Contract Time commences to run, as provided in the General Conditions.

- 3.2 Liquidated Damages. GTUA and CONTRACTOR recognize that time is of the essence of this Agreement and that GTUA will suffer financial loss and actual damages if the Work is not completed within the time specified above, plus any extensions thereof allowed in accordance with the General Conditions. The parties also recognize the delays, expense and difficulties involved in proving in a legal or arbitration proceeding the actual loss and damages suffered by GTUA if the Work is not completed on time. The exact amount of such loss and damages will be difficult to ascertain. Accordingly, instead of requiring any such proof, GTUA and CONTRACTOR agree that CONTRACTOR shall pay GTUA \$ 420.00 for each calendar day in which the Work is not completed, not as a penalty but as liquidated damages for the loss and damages that would be suffered by GTUA as a result of delay for each and every calendar day that the CONTRACTOR shall have failed to have completed the Work as required herein.

Article 4. **CONTRACT PRICE**

GTUA shall pay CONTRACTOR for completion of the Work in accordance with the Contract Documents in current funds as follows:

At the unit prices shown on the Unit Price Bid Schedule included in the Contract Documents.

Article 5. **PAYMENT PROCEDURES**

CONTRACTOR shall submit a Application for Payment in accordance with the General Conditions. Applications for Payment will be processed by GTUA, as provided in the Special Provisions.

CONTRACTOR and GTUA acknowledge and agree that the continuation of this Agreement after the close of any given fiscal year of GTUA, which fiscal year ends on September 30th of each year, shall be subject to GTUA Board approval. In the event that the GTUA Board does not approve the appropriation of funds for this Agreement, the Agreement shall terminate at the end of the fiscal year for which funds were appropriated, and the parties shall have no further obligations hereunder, except that GTUA shall be obligated to pay monies owed CONTRACTOR for Services it has provided pursuant to this Agreement through the end of that fiscal year provided that CONTRACTOR is not in breach of this Agreement.

Article 6. **INTEREST**

If the contract amount of this Agreement is less than \$5,000,000, no interest will be paid to the CONTRACTOR on retained money. When the contract amount exceeds \$5,000,000, no interest will be paid unless required by law.

Article 7. **CONTRACTOR'S REPRESENTATIONS**

In order to induce GTUA to enter into this Agreement, CONTRACTOR makes the following representations:

- 7.1 CONTRACTOR has familiarized itself with the nature and extent of the Contract Documents, Work, site, locality, and all local conditions and Laws and Regulations that, in any manner, may affect cost, progress, performance or furnishing of the Work.
- 7.2 CONTRACTOR has given ENGINEER written notice of all conflicts, errors or discrepancies that he has discovered in the Contract Documents and the written resolution thereof by ENGINEER is acceptable to CONTRACTOR.
- 7.3 CONTRACTOR has reviewed and fully agrees to the limitation of liability provisions included in the Special Provisions.
- 7.4 CONTRACTOR certifies that they are eligible to be awarded government contracts. CONTRACTOR also certifies that any agreement entered into with a subcontractor will

contain a clause stating that the subcontractor is eligible to be awarded government contracts.

Article 8. **CONTRACT DOCUMENTS**

The “Contract Documents,” which comprise the entire agreement between GTUA and CONTRACTOR concerning the Work, consist of the following:

- 8.1 This Agreement
- 8.2 Advertisement for Bids
- 8.3 Instructions to Respondents
- 8.4 Certifications Required by Texas Law
- 8.5 Suspension and Debarment Certification
- 8.6 Bid Bond and Bid Bond POA
- 8.7 Statement of Respondent’s Qualifications
- 8.8 Insurance Requirement Affidavit
- 8.9 Bid Submittal
- 8.10 Resolution of Award
- 8.11 Form 1295, Certificate of Interested Parties
- 8.12 Certificate of Insurance
- 8.13 Performance Bond and POA
- 8.14 Payment Bond and POA
- 8.15 Notice to Proceed
- 8.16 Maintenance Bond and POA
- 8.17 Closeout Documents
- 8.18 Special Provisions
- 8.19 Technical Specification prepared or issued by the Huitt-Zollars Inc. dated 3/5/2024.
- 8.20 Drawings, consisting of sheets numbered 1 through 22, inclusive with each sheet bearing the following general title: **City of Sherman, Post Oak Sanitary Sewer Improvements.**
- 8.21 Addenda numbers 1 to 1, inclusive.
- 8.22 The following, which may be delivered or issued after the Effective Date of the Agreement and are not attached hereto:

All written Amendments, change orders, and other documents amending, modifying, or supplementing the Contract Documents pursuant to the Special Provisions. The parties understand and agree that deviations or modifications to the scope of Work described in the Contract Documents, in the form of one or more written Contingency Change Allowance or also change orders, may be authorized from time to time by GTUA (“Change Orders”). “Extra” work, “claims” invoiced as “extra” work or “claims” which have not been issued as a duly executed, written Change Orders by the GTUA Manager or his designee will not be authorized for payment and/or shall not become part of this Agreement. A duly executed, written Change Order shall be preceded by the GTUA’s authorization for the GTUA Manager to execute said Change Order. CONTRACTOR agrees that GTUA’S project managers are authorized to issue Contingency Allowance Authorization but

GTUA'S project managers, superintendents and/or inspectors not authorized to issue verbal or written Change Orders.

There are no Contract Documents other than those listed above. The Contract Documents may only be amended, modified or supplemented, as outlined in this Agreement.

Article 9. INDEMNITY

CONTRACTOR HEREBY RELEASES AND SHALL DEFEND, INDEMNIFY AND HOLD HARMLESS GTUA, THE CITY OF SHERMAN AND THEIR RESPECTIVE BOARD OR CITY COUNCIL MEMBERS, OFFICERS, AGENTS, REPRESENTATIVES AND EMPLOYEES (COLLECTIVELY REFERRED TO AS "GTUA" FOR PURPOSES OF THIS SECTION) FROM AND AGAINST ALL DAMAGES, INJURIES (WHETHER IN CONTRACT OR IN TORT, INCLUDING PERSONAL INJURY AND DEATH), CLAIMS, PROPERTY DAMAGES (INCLUDING LOSS OF USE), LOSSES, DEMANDS, SUITS, ACTIONS, JUDGMENTS, LIENS, COSTS AND EXPENSES, INCLUDING REASONABLE ATTORNEY'S FEES AND EXPENSES (INCLUDING ATTORNEY'S FEES AND EXPENSES INCURRED IN ENFORCING THIS SECTION), THAT IN WHOLE OR IN PART ARISE OUT OF OR ARE CONNECTED WITH GOODS AND/OR SERVICES PROVIDED BY CONTRACTOR, ITS OFFICERS, AGENTS, REPRESENTATIVES, EMPLOYEES, SUBCONTRACTORS, LICENSEES, INVITEES OR ANY OTHER THIRD PARTIES FOR WHOM CONTRACTOR IS LEGALLY RESPONSIBLE (COLLECTIVELY REFERRED TO AS "CONTRACTOR" FOR PURPOSES OF THIS SECTION) PURSUANT TO THIS AGREEMENT AND/OR THE NEGLIGENT, GROSSLY NEGLIGENT AND/OR INTENTIONAL WRONGFUL ACT AND/OR OMISSION OF CONTRACTOR IN ITS/THEIR PERFORMANCE OF THIS AGREEMENT, REGARDLESS OF THE JOINT OR CONCURRENT NEGLIGENCE OF GTUA (COLLECTIVELY, "CLAIMS"). THIS INDEMNIFICATION PROVISION AND THE USE OF THE TERM "CLAIMS" IS ALSO SPECIFICALLY INTENDED TO APPLY TO, BUT IS NOT LIMITED TO, ANY AND ALL CLAIMS, WHETHER CIVIL OR CRIMINAL, BROUGHT AGAINST GTUA BY ANY GOVERNMENT AUTHORITY OR AGENCY RELATED TO ANY PERSON PROVIDING SERVICES UNDER THIS AGREEMENT THAT ARE BASED ON ANY FEDERAL IMMIGRATION LAW AND ANY AND ALL CLAIMS, DEMANDS, DAMAGES, ACTIONS AND CAUSES OF ACTION OF EVERY KIND AND NATURE, KNOWN AND UNKNOWN, EXISTING OR CLAIMED TO EXIST, RELATING TO OR ARISING OUT OF ANY EMPLOYMENT RELATIONSHIP BETWEEN CONTRACTOR AND ITS EMPLOYEES OR SUBCONTRACTORS AS A RESULT OF THAT SUBCONTRACTOR'S OR EMPLOYEE'S EMPLOYMENT AND/OR SEPARATION FROM EMPLOYMENT WITH CONTRACTOR, INCLUDING BUT NOT LIMITED TO ANY DISCRIMINATION CLAIM BASED ON SEX, SEXUAL ORIENTATION OR PREFERENCE, RACE, RELIGION, COLOR, NATIONAL ORIGIN, AGE OR DISABILITY UNDER FEDERAL, STATE OR LOCAL LAW, RULE OR REGULATION, AND/OR ANY CLAIM FOR WRONGFUL TERMINATION, BACK PAY, FUTURE WAGE LOSS, OVERTIME PAY, EMPLOYEE BENEFITS, INJURY SUBJECT TO RELIEF UNDER THE WORKERS' COMPENSATION ACT OR WOULD BE SUBJECT TO RELIEF UNDER ANY POLICY FOR WORKERS COMPENSATION INSURANCE, AND ANY OTHER CLAIM, WHETHER IN TORT, CONTRACT OR OTHERWISE.

IN ITS SOLE DISCRETION, GTUA SHALL HAVE THE RIGHT TO APPROVE OR SELECT DEFENSE COUNSEL TO BE RETAINED BY CONTRACTOR IN FULFILLING ITS OBLIGATION HEREUNDER TO DEFEND AND INDEMNIFY GTUA, UNLESS SUCH RIGHT IS EXPRESSLY WAIVED BY GTUA IN WRITING. GTUA RESERVES THE RIGHT TO PROVIDE A PORTION OR ALL OF ITS OWN DEFENSE; HOWEVER, GTUA IS UNDER NO OBLIGATION TO DO SO. ANY SUCH ACTION BY GTUA IS NOT TO

BE CONSTRUED AS A WAIVER OF CONTRACTOR'S OBLIGATION TO DEFEND GTUA OR AS A WAIVER OF CONTRACTOR'S OBLIGATION TO INDEMNIFY GTUA PURSUANT TO THIS AGREEMENT. CONTRACTOR SHALL RETAIN GTUA-APPROVED DEFENSE COUNSEL WITHIN SEVEN (7) BUSINESS DAYS OF GTUA'S WRITTEN NOTICE THAT GTUA IS INVOKING ITS RIGHT TO DEFENSE OR INDEMNIFICATION UNDER THIS AGREEMENT. IF CONTRACTOR FAILS TO RETAIN COUNSEL WITHIN SUCH TIME PERIOD, GTUA SHALL HAVE THE RIGHT TO RETAIN DEFENSE COUNSEL ON ITS OWN BEHALF, AND CONTRACTOR SHALL BE LIABLE FOR ALL COSTS INCURRED BY GTUA.

THE RIGHTS AND OBLIGATIONS CREATED BY THIS SECTION SHALL SURVIVE TERMINATION OF THIS AGREEMENT.

Article 10. LIABILITY

To the fullest extent permitted by law, CONTRACTOR shall be fully and solely responsible and liable for its own acts and omissions, including those of its officers, agents, representatives, employees, subcontractors, licensees, invitees and all other parties performing services for or on behalf of CONTRACTOR under this Agreement, and for any and all damage to CONTRACTOR's equipment and other property. GTUA and the City of Sherman assume no such responsibility or liability. GTUA and the City of Sherman shall have no such responsibility or liability to either CONTRACTOR or its officers, agents, representatives, employees, subcontractors, licensees, invitees or other persons.

Article 11. TERMINATION

GTUA or the City of Sherman is entitled to terminate this Agreement at any time for any reason or for no reason by giving CONTRACTOR at least thirty (30) days' prior written notice of the termination date.

GTUA or the City of Sherman is entitled to terminate this Agreement immediately on breach of any term or provision of the Contract Documents by CONTRACTOR. If at any time during the term of this Agreement, CONTRACTOR shall fail to commence the work in accordance with the provisions of the Contract Documents or fail to diligently perform the work in an efficient, timely and careful manner and in strict accordance with the provisions of the Contract Documents, then GTUA or the City of Sherman shall have the right to terminate this Agreement. Any such act by GTUA or the City of Sherman shall not be deemed a waiver of any other right or remedy of GTUA or the City of Sherman.

The rights and remedies provided by this Agreement are cumulative, and the use of any one right or remedy by either party shall not preclude or waive its rights to use any or all other remedies. These rights and remedies are given in addition to any other rights the parties may have by law, statute, ordinance, or otherwise.

Article 12. MISCELLANEOUS

12.1 Terms used in the Agreement will have the meanings indicated in the Special Provisions.

- 12.2 No assignment by a party hereto of any rights under or interests in the Contract Documents will be binding on another party hereto without the written consent of the party sought to be bound; and specifically, but without limitation, monies that may become due and monies that are due, may not be assigned without such consent (except to the extent that the effect of this restriction may be limited by law), and unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under the Contract Documents.
- 12.3 CONTRACTOR acknowledges and agrees that the existence of a prohibited interest during the term of this Agreement will render this Agreement voidable. CONTRACTOR further acknowledges and agrees that it also is aware of, and will abide by, the vendor disclosure requirements set forth in Chapter 176 of the Texas Local Government Code, as amended.
- 12.4 Each party represents and warrants to the other that it has the full power and authority to enter into and fulfill the obligations of this Agreement. The respective signatories to this Agreement, by affixing their signatures hereto, warrant and represent that they have the authority to bind their respective parties as duly authorized representatives thereof.
- 12.5 The parties acknowledge and agree that, in executing and performing this Agreement, GTUA has not waived, nor shall be deemed to have waived, any defense or immunity, including governmental, sovereign and official immunity, that would otherwise be available to it or the City of Sherman against claims arising in the exercise of governmental powers and functions. By entering into this Agreement, the parties do not create any obligations, express or implied, other than those set forth herein.
- 12.6 In the event that a term, condition or provision of this Agreement is determined to be invalid, illegal, void, unenforceable or unlawful by a court of competent jurisdiction, then that term, condition or provision shall be deleted and the remainder of the Agreement shall remain in full force and effect as if such invalid, illegal, void, unenforceable or unlawful provision had never been included in this Agreement.
- 12.7 If either party files any action or brings any proceeding against the other arising from this Agreement, then as between GTUA and CONTRACTOR, the prevailing party shall be entitled to recover as an element of its costs of suit, and not as damages, reasonable and necessary attorneys' fees and litigation expenses both at trial and on appeal, subject to the limitations set forth in TEX. LOC. GOV'T CODE § 271.153, as it exists or may be amended, if applicable.
- 12.8 The laws of the State of Texas shall govern the interpretation, validity, performance and enforcement of this Agreement, without regard to conflict of law principles. This Agreement is performable in Grayson County, Texas, and the exclusive venue for any action arising out of this Agreement shall be a court of appropriate jurisdiction in Grayson County, Texas.
- 12.9 Waiver by either party of any breach of this Agreement, or the failure of either party to

enforce any of the provisions of this Agreement, at any time, shall not in any way affect, limit, or waive such party's right thereafter to enforce and compel strict compliance.

- 12.10 CONTRACTOR covenants and agrees that CONTRACTOR is an independent contractor and not an officer, agent, servant or employee of GTUA; that CONTRACTOR shall have exclusive control of and exclusive right to control the details of the work performed hereunder and all persons performing the same; that the doctrine of respondent superior shall not apply as between GTUA and CONTRACTOR, its officers, agents, employees, contractors, subcontractors and consultants; and that nothing herein shall be construed as creating a partnership or joint enterprise between GTUA and CONTRACTOR.
- 12.11 GTUA and CONTRACTOR agree the City of Sherman is an intended third-party beneficiary of CONTRACTOR's obligations under the Contract Documents and shall be entitled to enforce such obligations as if it were a party hereto and may seek and obtain any and all available remedies against CONTRACTOR in the event CONTRACTOR breaches any term or provision of the Contract Documents, it being the intent of GTUA and CONTRACTOR to confer direct benefits on the City of Sherman under the Contract Documents. In addition, GTUA and CONTRACTOR agree that the City of Sherman is entitled to exercise all rights of GTUA under the Contract Documents.
- 12.12 This Agreement shall be deemed drafted equally by all parties hereto. The language of all parts of this Agreement shall be construed as a whole according to its fair meaning, and any presumption or principle that the language herein is to be construed against any party shall not apply. Headings in this Agreement are for the convenience of the parties and are not intended to be used in construing this document.
- 12.13 This Agreement may be executed in a number of identical counterparts, each of which shall be deemed an original for all purposes. An electronic mail and/or facsimile signature will also be deemed to constitute an original if properly executed and delivered to the other party.
- 12.14 GTUA and CONTRACTOR each binds itself, its partners, successors, assign, and legal representatives to the other party hereto, its partners, successors, assign and legal representatives in respect of all covenants, agreements and obligations contained in the Contract Documents.

Article 13. **OTHER PROVISIONS**

None.

IN WITNESS WHEREOF, GTUA and CONTRACTOR have signed this Agreement in multiple copies. One counterpart each has been delivered to GTUA, CONTRACTOR and ENGINEER. All portions of the Contract Documents have been signed or identified by GTUA and CONTRACTOR or by ENGINEER on their behalf. The date this Agreement is signed by the last party to sign it (as indicated by the date associated with that party's signature below) will be deemed the effective date of this Agreement (the "Effective Date").

GTUA: _____

CONTRACTOR: _____

Greater Texoma Utility Authority

Western Municipal Construction of Texas, LLC

By: _____

By: _____

Date: _____

Date: _____

(Corporate Seal)

Attest: _____

Attest: _____

Address for giving notices:

Address for giving notices:

5100 Airport Drive

402 Gulf Ave

Denison, TX 75020

Justin, TX 76247

AGENDA ITEM X



GREATER TEXOMA UTILITY AUTHORITY

AGENDA COMMUNICATION

DATE: June 13, 2024

SUBJECT: AGENDA ITEM NO. X

PREPARED BY AND SUBMITTED BY: Paul M. Sigle, General Manager

CONSIDER AND ACT UPON THE AWARD OF CONTRACT FOR CITY OF SHERMAN'S WTP EDR REHAB – CHAIN AND FLIGHT REPLACEMENT PROJECT.

ISSUE

Consider and act upon the award of contract for City of Sherman's WTP EDR Rehab – Chain and Flight Replacement Project.

BACKGROUND

The City of Sherman has requested assistance in obtaining funding for improvements to the City's water and wastewater system. These improvements include engineering, design, and construction of projects including but not limited to water treatment plant expansion, water and sewer lines improvements, Lake Texoma Pump Station improvements, and wastewater treatment plant expansion. The Board will be provided with further information on the projects at the Board meeting.

The 2023A open market bond issuance for the City of Sherman include funds for rehabbing the Water Treatment Plant. The Electrodialysis Reversal (EDR) process is used to filter out dissolved minerals and salts that are not able to be removed in the conventional sand/carbon filters. The raw water source for the Water Treatment Plant comes from Lake Texoma which has a high salt content. As the raw water is treated a portion of the flow is passed through the EDRs and the filtered water is returned to the flow. The result is an overall reduction of minerals/salts and an improved potable water for drinking and industrial use. Approval will allow the replacement of the existing 96 EDR filter stacks with modern stacks and modern technology. This project is part of the overall conventional treatment rehabilitation program and supports regaining 10 MGD conventional treatment capacity.

CONSIDERATIONS

As part of the rehabilitation of the EDR Treatment Plant, the chain and flight sludge collection system in the sedimentation basin needs to be replaced. The chain and flight system collects the released sedimentation in the basins and move the sedimentation to collection systems that diverts the sedimentation to the City's sludge ponds. Since the City is replace the system with an identical system, the City has sole source the system from WWaterTech Inc. in the amount of \$1,460,000.00.

The last sentence in section 30 that concerned the Board has been removed from the agreement.

STAFF RECOMMENDATIONS

The Authority Staff recommends authorizing the General Manager to award the contract to WWaterTech Inc. in the amount of \$1,460,000.00, contingent upon the City of Sherman's City Council taking similar action.

ATTACHED

Quote
Agreement



Water & Wastewater Technology

PROCESS EQUIPMENT

TO: **City of Sherman/GTUA**

243 Cima Road
Sherman, TX 75092

Email: oscarc@cityofsherman.com

ATT: **Oscar Canales**

PH: 903-892-7258

FAX:

QUOTATION

3104 Washington St.

Waller, TX 77484

P: (936) 372-5272 • F: (936) 372-9224

DATE 2-May-24	QUOTE NO. BH050224-01	PAGE 1 OF 15
Sherman WTP		
FOR MORE INFORMATION CONTACT		
Bill Hallcroft (214)-728-5539		

Summary of Project: Replace Chain and flight in two basins

Scope of Supply

Prices Valid For Thirty (30) Days

Freight: F.O.B. Factory/P.P.A

Terms: Net 30 Days - No Retentions

1. If submittals are required with your order, they will be supplied according to the manufacturer's schedule.
2. Shipping schedules are based on current material availability and procurement lead times, at time of order.
Equipment availability will be verified at the time of order and delivery dates will be adjusted accordingly, if applicable.

THIS QUOTATION IS SUBJECT TO THE ATTACHED GENERAL TERMS AND STANDARD CONDITIONS OF SALE - TWO (2) PAGES

ITEM	QTY	DESCRIPTION	UNIT COST	TOTAL COST
1	1	Lot Brentwood Polychem chain and flight equipment per the attached. Includes labor to install the equipment based on the best information available at the time of offering.	\$1,445,000.00	1,445,000.00
2	1	Lump sum adder for pre-installation meeting and installation oversight Pricing does not include bonding of any type.	\$15,000.00	\$15,000.00
			TOTAL PRICE	1,460,000.00

****All Orders Are Processed in the Waller, Texas Office****

Is Freight Included: (x) Yes () No

Delivery: * **16-20 Weeks** (after approved drawings, if applicable)

*Subject to availability at time of order

Sales Representative Name

Bill Hallcroft

Signed & Accepted this _____ day of _____ 2023

NOTES:

1. Startup, installation or sales tax is not include in this quote.
2. Sale Tax Certificate and W9 have to be supplied with signed quote or PO.
3. First time orders are subject to verifiable credit references.
4. Unless otherwise noted above, FREIGHT is not included in quote.
5. Purchase Orders are required on orders over \$ 5,000.00.
6. If applicable, a Project Info form will be supplied and must be completed and returned before submittals and/or shipment occurs.

(Name) (Title)

(Printed Name)

BUDGETARY PROPOSAL #WG05219_R6**SHERMAN, TX - WTP - TWO SEDIMENTATION BASINS
REFURBISHMENT**

April 18, 2024

Attn: Bill Hallcroft
WWaterTech, Inc.
3901 Airport Freeway, Suite 305
Bedford TX 76021
USA
Phone: (817) 358-0551
Fax: (817) 358-0552
email: bhallcroft@wwatertechinc.com

Re: Sherman, TX - WTP - Two Sedimentation Basins Refurbishment
Polychem™ Chain and Flight Sludge Collection System

POLYCHEM SOLUTIONS PROPOSAL

Brentwood Industries, Polychem Brand, proposes and offers to supply all materials and services as an Approved manufacturer and in general accordance with Brentwood's standard practices and specifications, clarifications, and information provided.

TECHNICAL SPECIFICATION(S): N/A**SECTION(S):** N/A**ADDENDA RECEIVED:** N/A**BRENTWOOD PROPOSES TO FURNISH POLYCHEM CHAIN AND FLIGHT EQUIPMENT AS FOLLOWS:**

Six (6) Longitudinal Collector Mechanisms, Approximately
151 FT Long x 14 FT Wide x 15.8 FT AWD, 3 Shaft System
and
Two (2) Cross Collector Mechanisms, Approximately
40 FT Long x 6 FT Wide x 18.8 FT AWD, 3 Shaft System

Please note this proposal is based upon the evaluation of Sedimentation Basin #1 and the corresponding Polychem Solutions field report.

This proposal has been prepared as a complete Polychem Solutions package and is optimized to address your specific needs. It incorporates project level cost savings where applicable. If line item pricing is required, please understand that additional time will be required and individual prices will result in an increased overall price to account for item specific packaging fees and freight premiums.



Brentwood Industries, Inc.
500 Spring Ridge Dr., Reading PA 19610
brentwoodindustries.com

Phone: 610.374.5109

Fax: 610.685.0137

BUDGETARY PROPOSAL #WG05219_R6	SHERMAN, TX - WTP - TWO SEDIMENTATION BASINS REFURBISHMENT
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***ITEMS INCLUDED:**

ITEM	DESCRIPTION / MATERIAL
Drive Chain	NH78, Reinforced Nylon Resin w/ GritShield 301 SS Barrel Wrap and 303 SS Pins
Collector Chain Pins and Retainer Clips	Glass Reinforced Nylon Pins w/ Acetal Retainer Clips
Collector Chain Links	NCS-720-S, Reinforced Thermoplastic Polyester Resin
Half Links	NCS-720-S, Reinforced Thermoplastic Polyester Resin, 3-inch Pitch
Flight Attachment Links	NCS-720-S, Reinforced Thermoplastic Polyester Resin, F-22-8
Flights (Longitudinal Collectors)	3"x8" nominal C-Channel w/ Integral Lip, Fiberglass Reinforced Plastic, spaced at 10 Ft (3.05 m) intervals
Flights (Cross Collectors)	3"x8" nominal C-Channel w/ Integral Lip, Fiberglass Reinforced Plastic, spaced at 5 Ft (1.52 m) intervals
Wear Shoes	Nylon 6-6
Hardware	316 SS
Flight Floor Squeegee Assemblies (2 Per long)	Neoprene w/FRP Backing and 316 SS Hardware
Fillerblocks	Polypropylene
Headshaft Spindles	Cast Nylon-6
Headshaft(s)	Biaxially Wrapped Fiberglass Epoxy Tube(s) w/ Internal UHMW-PE Tubular Bearings
Driven Sprocket(s)	NH78, 40T, Cast Nylon-6, w/integral teeth
Collector Sprockets for Headshaft(s)	NCS-720-S, 23T, Cast Nylon-6
Set Collars	Split, Cast Nylon-6, w/ 316 SS Clamping Band
Headshaft Keys	Glass Reinforced Nylon 6-6
Collector Sprockets for Stub Shafts	NCS-720-S, 17T, Cast Nylon-6
Idler Stub Shafts	Cast Nylon-6 w/UHMW-PE Outer Journal Bearing



BUDGETARY PROPOSAL #WG05219_R6	SHERMAN, TX - WTP - TWO SEDIMENTATION BASINS REFURBISHMENT
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***ITEMS INCLUDED (Continued):**

ITEM	DESCRIPTION / MATERIAL
Retainer Plate for Stub Shafts	Polycarbonate
Wall Bracket Supports for Return Track	Glass Reinforced Nylon 6-6
Run Shoe to Splice Wall Bracket to Return Track	Nylon 6-6
Return Track	3"x8" nominal C-channel, Fiberglass Reinforced Plastic
Wear Strip	UHMW-PE - 1/2" thick x 2-5/8" wide
Chain Tightener(s) for Drive Chain	Nylon 6-6 7T Sprocket w/ Cast Nylon-6 Arm and FRP Adjustable Mounting Bracket
Limit Switch	DPDT, Cutler Hammer, Zinc Die Cast, NEMA 4X, SS Arm
Torque Limiter	Ball Detent Type, 316SS
Drive Sprocket	Nylon-6
Drive Unit Output Shaft	304 SS
Drive(s) - Dual, Each Driving (2) Long Collectors	SEW Eurodrive Helical-Bevel Gear box (DIN-ISO) with integral mount SEW Motor (IEC), 1/2 HP, 3 PH, 60 Hz, 230/460 VAC
Drive(s) - Single, Each Driving (1) Collector	SEW Eurodrive Helical-Bevel Gear box (DIN-ISO) with integral mount SEW Motor (IEC), 1/2 HP, 3 PH, 60 Hz, 230/460 VAC
Base Plate for Drive Unit(s)	304 SS
Chain Guard for Drive Chain	304 SS
Pillow Block Bearing and Support (if required)	Cast Iron Bearing with Stainless Steel Support
Anchor System	316 SS
Adhesive for Anchors w/ Dispenser	Hilti
*	Above Item Descriptions/Materials may vary slightly after engineering and consultant review.



BUDGETARY PROPOSAL #WG05219_R6	SHERMAN, TX - WTP - TWO SEDIMENTATION BASINS REFURBISHMENT
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The following total estimated spare parts will be furnished for this project. After engineering, quantities may vary from quantities listed below. Spare Parts will be packaged separately and plainly identified.

SPARE PARTS INCLUDED	
QTY	DESCRIPTION
20	feet of drive chain
10%	of all collector chain furnished
10%	of all chain-to-flight attachment links furnished
5	longitudinal flights complete with wear shoes, fillerblocks, and hardware
1	replacement 11T drive sprocket (sprocket plate only)
5	Cross Collector Flights complete with wear shoes, fillerblocks, and hardware

ITEMS SPECIFICALLY <u>NOT</u> INCLUDED	
1	SmartGuard Flight and Sprocket Monitoring System
2	Rotating Scum Troughs or Helical Skimmers
3	Control Panel(s)
4	Effluent Troughs, Weirs, Baffles
5	Seismic Calculations
6	Hold Down Rail, 304 SS
7	Tank Measurements
8	PE Stamp of Submittals
9	Triple or Right Angle Drives Operating Two (2) Common Longs & Cross Collector



BUDGETARY PROPOSAL #WG05219_R6**SHERMAN, TX - WTP - TWO SEDIMENTATION BASINS
REFURBISHMENT****EXISTING CONCRETE STRUCTURE (IF APPLICABLE):**

Pricing and schedule are based on limited structural information provided at the time of quotation and assume the necessary existing tank dimensions will be provided by purchaser in a timely manner to facilitate the start of submittals. In lieu of customer supplied tank dimensions, purchaser may elect to procure Brentwood's Tank Measurement services. Should the verified tank dimensions and equipment conditions differ from the information provided for quotation, and/or require special bracketry or supporting structures, Brentwood reserves the right to revise pricing and schedule accordingly. Delays associated with receipt of complete tank measurements, incomplete information from RFI's, and release and approval to manufacture may result in changes to the price and schedule.

TANK MEASUREMENTS:

Tank Measurements are NOT included in this price or proposal, but can be provided and billed per attached published field labor and expense rates. If measurement services are purchased, Brentwood will require the assistance of one (1) person while on site to support tank measurements, and tanks must be completely drained and cleaned before entrance. In addition, customer / contractor shall supply all necessary equipment to safely access tanks (ladders, lighting, etc.). Tank measurement services require a minimum 2 week notice and are based on technician availability.

SUBMITTALS:

Based upon the budgetary nature of this proposal, submittals are not included in the price. In the event that the scope of any options and delivery can be refined, lead time and pricing for any requested submittals will be included in future revisions.

TIME AND DELIVERY:

- 1. Brentwood will advise the current engineering lead time required to review existing structural and equipment information, design equipment layout within the tank, and develop a bill of materials after receipt of a purchase order.**
- 2. We further propose to furnish the equipment approximately fourteen (14) weeks after receipt of required dimensions and completion of engineering work which will constitute release to manufacturing.**
- 3. Final lead time will be confirmed after receipt of executed purchase order and order is fully processed.**

FREIGHT:

Freight allowed, best way, point of manufacture to job site. Requests for specific methods of shipment will be at requestors' expense. On-site transportation, unloading, and storage costs by others.

WEIGHT AND VOLUME:

Estimated weight is 37,300 Lbs. Estimated volume is Two (2) Truck(s).

TAXES:

Pricing does not include any States' sales tax if applicable, unless otherwise stated.



SCHEDULE OF VALUES & PAYMENT TERMS:

1. 100% Net 30 Days from i) shipment of material or ii) Seller's notification to Buyer of finished materials ready for shipment & being held at Brentwood's facility beyond scheduled shipment date, whichever occurs first.
2. These terms are not contingent upon or in conjunction with any agreement purchaser has with other parties.
3. For Brentwood Water & Wastewater Standard Terms and Conditions visit:
<https://www.brentwoodindustries.com/terms/>

ESCALATION:

The price(s) quoted are subject to adjustment to reflect increases in material cost(s), should these increases in price exceed 3% during the specified Schedule of Construction. Increases are based on price indexes for PVC (ChemData) and Stainless Steel (MEPS International), which can be provided upon request. It is understood and agreed that it will be Brentwood's option whether to invoke escalation, should the price exceed this amount.

BILL AND HOLD:

If Purchaser fails to take delivery on any scheduled delivery date based on the terms of the executed purchase Agreement, Brentwood reserves the right to reallocate any Product to other projects and reschedule production for the delayed Product. Purchaser will be required to accept any increase in price associated with the repurchase of material to fulfill the purchased Product requirements and the Product Delivery Date will be rescheduled in conjunction with current production schedules.

If the Purchaser requests that Brentwood holds Product in excess of an agreed upon delivery date and Brentwood agrees to hold the Product, Purchaser will provide written notification to Brentwood to store the Product at its facilities for a period of time prior to shipment ("Bill and Hold"). Brentwood will provide written confirmation of the Bill and Hold to Purchaser, including a Statement of Transfer of Title and invoice.

Payment for the Bill and Hold material is due in accordance with the agreed upon terms in the executed purchase Agreement except to the extent dates must be adjusted due to delivery rescheduling, in which case adjusted dates will be shown on the invoice. All payments will be made in accordance with the invoiced payment terms and instructions. For all Bill and Holds, Purchaser acknowledges that (i) they have made a fixed commitment to purchase the Product, (ii) risk of ownership for the Product passes to Purchaser upon signing Statement of Transfer, (iii) Purchaser has requested that the Product be on a Bill and Hold basis for legitimate business purposes, (iv) if no delivery date is determined at the time of invoicing and Statement of Transfer and Brentwood does not receive a request for delivery within two (2) months from the Bill and Hold invoice date, Brentwood has the right to release the shipment upon written notice to Purchaser any time following the two (2) month period from Bill and Hold invoice date. Brentwood shall be entitled to storage charges of 1 ½% per month of the purchase value of stored material beginning 30 days after Bill and Hold invoice date and continuing until the Product is picked up by Purchaser or shipped by Brentwood. Upon receipt of request from Purchaser to ship the stored Product, Brentwood shall use commercially reasonable efforts to ship the Product within two (2) to 4 (four) business weeks following confirmed receipt of such request.



BUDGETARY PROPOSAL #WG05219_R6**SHERMAN, TX - WTP - TWO SEDIMENTATION BASINS
REFURBISHMENT****VALIDITY:**

This proposal is valid for a period not to exceed 60 days from latest date shown above unless extended by Brentwood in writing. Pricing on this project is based upon shipment schedule as shown above. Extensions to delivery timelines or requests for staged shipments may require renegotiation of pricing.

FIELD SERVICE STARTUP AND TRAINING:

The services of a qualified Brentwood field technician is included to assist in inspection of installed equipment, startup and field testing on each clarifier and operator training. A separate field service trip is included for installation oversight on the first clarifier. Duration limited to Three (3) trip(s) for Six (6) man-day(s) on site total. Non use of contractual field service days does not generate a credit on this project. Field service requires a minimum 2 week notice and is based on technician availability. Less notice may be accommodated with additional costs. If field service is not used within 180 days of shipment of equipment, it will be considered closed and no longer available as part of the project price.

OPERATION AND MAINTENANCE MANUALS:

Unless otherwise specified, one (1) digital copy of our O&M manual and installation and layout drawings will be furnished on or before shipment of equipment. Digital copy can be downloaded from our FTP site or finished on a USB Flash drive. Digital copy of O&M shall be in Adobe pdf format and be locked and uneditable.

WARRANTY:

Brentwood warrants material supplied on this project to be free from defects in workmanship or materials for a period of twelve (12) months from date of certification by an authorized Brentwood representative or eighteen (18) months from date of shipment, whichever shall occur first. Warranty excludes labor to install or remove parts. Chain and flight system is designed for continuous operation, and intermittent operation is not recommended due to potential for excess sludge build up. Damage resulting from intermittent operation of chain and flight equipment is not covered under this warranty.

PAINTING AND COATINGS:

Stainless Steel and plastic equipment shall not be painted. Unless otherwise specified, all ferrous wetted components will be provided with a surface preparation of SSPC-SP10 Near White Metal and a shop primer 1 coat of TNEMEC 91-H2O Hydro Zinc @3.0 to 3.5 Mils D.F.T. It is the responsibility of the contractor to ensure finish paint is compatible with specified primer. Any adhesion issues between coats are not the responsibility of Brentwood. The top coat must be applied within 6 months of the prime coat, otherwise the assembly surface will need to be abraded or the primer will need to be removed and surface preparation redone prior to application of the top coat, by others. OEM components above deck (drive units, bearings, actuators, etc.) shall be furnished with manufacturer's factory finish.

AMERICAN IRON AND STEEL ACT:

Per Implementation of American Iron and Steel provisions of P.L. 113-76, Consolidated Appropriations Act, 2014, Brentwood's Polychem brand clarifier System and accessories is considered a mechanical system and is not considered construction material or structural steel subject to AIS requirements.



Brentwood Industries, Inc.
500 Spring Ridge Dr., Reading PA 19610
brentwoodindustries.com

Phone: 610.374.5109

Fax: 610.685.0137

GENERAL EXCLUSIONS*:

1. Contractor/customer shall be responsible for field verification of all dimensions.
2. Foundations, supports for Polychem equipment (diaphragm plates) or special mounting plates.
3. Bid, performance, supply, or maintenance bonds.
4. Installation of equipment and anchor systems, concrete, sealing compounds, shim stock or grout.
5. Grouting behind idler stub shafts, head shaft spindles, & return track wall brackets is not included, but is required for these systems.
6. Tools or spare parts (unless listed elsewhere in this Proposal).
7. All reducer oil, bearing grease, or other lubricants.
8. Field paint, touch-up, finish painting, or finish coatings.
9. Unloading, hauling, erection, and storage of equipment.
10. Grease line piping (unless listed elsewhere in this Proposal) or grease guns.
11. Any electrical components or controls not shown in items included section of this Proposal.
12. All control panels (unless listed elsewhere within this Proposal), unistrut supports / mounting for control panels, electrical conduit, wires, or wiring, wire fittings, or boxes.
13. Wall Sleeves for scum troughs, weirs, baffles, overflow weirs, effluent troughs.
14. Anchor pull out testing.
15. PI&D drawings
16. Conduit sizing or drawings.
17. Detailed specific storage plans or maintenance schedules for installed equipment outside of Brentwood's standard maintenance and preventative maintenance information.
18. Factory assembly of components.
19. Any component shown or described on a drawing and not included in the Items Included section of this Proposal, or any component or service not shown in this Proposal.

**unless above items are listed as included elsewhere in this Proposal, they are excluded.*



BUDGETARY PROPOSAL #WG05219_R6

SHERMAN, TX - WTP - TWO SEDIMENTATION BASINS
REFURBISHMENT**PRICING SUMMARY:**

LUMP SUM TOTAL BASE PRICE: Per Cover

THE FOLLOWING BASE OPTIONS* ARE AVAILABLE FOR YEARLY PM OVERSIGHT INSPECTION CONTRACTS:

PM EVALUATION (PER TRIP BASIS), THREE YEAR & FIVE YEAR CONTRACT OPTIONS AVAILABLE (STARTING AT TWO TRIPS PER YEAR)

EACH OPTION ABOVE INCLUDES THE FOLLOWING: ALL MEALS, HOTEL, TRAVEL COSTS, EXPENSES, INSPECTION REPORT

THE POLYCHEM SOLUTIONS TEAM WILL EVALUATE THE TANK(S) AND PROVIDE A COMPREHENSIVE TRIP REPORT ON EQUIPMENT CONDITION AND SERVICE STATUS TRIPS WILL BE SCHEDULED ACCORDING TO THE PLANT'S ROUTINE PM SCHEDULE

***OPTIONS ABOVE CAN BE MODIFIED TO ACCOMMODATE SPECIFIC PLANT REQUIREMENTS**

Proposal Submitted By:

Ryan Putt

Ryan Putt, Upgrades & Solutions Specialist
Brentwood Industries, Polychem Brand
email: ryan.putt@brentwoodindustries.com



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FIELD SERVICE RATES

EFFECTIVE
2022 - 2025



DOMESTIC DAILY RATES PER 8 HOUR DAY

SERVICE SPECIALIST	2022	2023	2024	2025
Straight Time	\$1,890.00	\$2,003.00	\$2,123.00	\$2,250.00
OT and Saturday	\$2,827.00	\$2,996.00	\$3,175.00	\$3,365.00
Sunday and Holiday	\$3,780.00	\$4,006.00	\$4,246.00	\$4,500.00

INTERNATIONAL DAILY RATES PER 8 HOUR DAY

SERVICE SPECIALIST	2022	2023	2024	2025
Straight Time	\$2,268.00	\$2,404.00	\$2,548.00	\$2,701.00
OT and Saturday	\$3,402.00	\$3,606.00	\$3,822.00	\$4,051.00
Sunday and Holiday	\$4,538.00	\$4,810.00	\$5,099.00	\$5,404.00

Definition of Labor Rates

Straight time applies to first eight (8) hours worked and traveled Monday through Friday. Any time worked over 8 hours, up to four (4) hours worked and traveled past eight (8) on Monday through Friday, first twelve (12) hours worked on Saturday will be charged at overtime rate. Standby time will be charged at the applicable rate. In case of long-term assignments, Field Service personnel will be rotated at Buyer's expense.

Expenses

Meals, lodging, and incidental expenses will be billed at cost + 15%. Employee travel expenses will be charged at cost +15% for airfare, rental vehicles, taxis and freight. Mileage rate is \$0.95 per mile. Rental of lifting or other special equipment, outside inspection services, additional sub contracted services, etc. will be cost +15%.

Notes:

1. This rate sheet supersedes all previously issued rate sheets.
2. All prices in US dollars.
3. Any "site-specific" training required will be billed as time worked.
4. Customer to furnish water, oils, solvents and will dispose of same. Customer will also furnish power and air, parts, ladders, access to job-site, overhead crane upon request, and all necessary work permits.
5. Rates are "Portal-to-Portal". Travel time, to and from the site, will be considered hours worked and billed at the applicable rate.
6. Stand-by time will be considered hours worked and billed at the applicable rates according to the following:
 - a. Stand-by from home base – 8 hours per day.
 - b. Stand-by while mobilized and in the field – 8 hours per day.
7. A 4-hour minimum will apply to all service work.
8. Rates quoted are subject to adjustment without notice to conform to Seller's published rates in effect at the time service is performed.
9. This offer is subject to Buyer's acceptance of the Conditions above.
10. This offer and any work performed as a result are exclusively governed by our Terms and Conditions attached. Any additional or conflicting terms contained in any document or purchase order issued authorizing work are expressly objected to in advance and shall not apply, except with the express written consent from Brentwood Industries.



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500 Spring Ridge Dr., Reading PA 19610
brentwoodindustries.com

Phone: 610.374.5109

Fax: 610.685.0137

GENERAL TERMS

Terms of payment are as follows: 90 % upon shipment, and 0% for O&M Manuals, and 10% upon startup and acceptance, not to exceed ninety (90) days from shipment, or payment within thirty (30) days of invoice. 0 % discount, net thirty (30) days.

This quotation is subject to change or withdrawal without notice, and subject to acceptance within thirty (30) days by City of Sherman hereinafter called Buyer. If accepted by the Buyer, this Proposal shall become a binding contract only when approved and signed by an authorized officer of the WwaterTech, herein after called, Seller, at its office in Waller, Waller County, Texas, and may then be modified by written agreement only. No statements or understanding relating to the subject matter, other than those set forth herein, shall be binding on Seller. All "New Order" are subject to confirmed credit and bank references, sales tax and W9 forms returned before any order are released.

All orders, contracts and quotations are submitted contingent upon occurrence of strikes, accidents, fire, riots, war, and Acts of God, and any other causes beyond our control. In the event of strikes in our plants or in the plants of our supplier, we may withdraw this Proposal if, in our opinion, such strikes may result in the following:

- 1, Delay in the delivery of materials and supplies.
2. Cancellation by suppliers of materials and supplies.
3. Increase prices for materials, supplies and labor.

Quoted shipment or delivery dates are based upon current production schedules of the specified equipment, after receipt of all approved drawings, together with complete technical data necessary for proper application and "state-of-the-art" engineering, as required by the Project. **WwTI**, will deliver drawings for approval in a timely manner commensurate with the original concept of completion, as conceived by the Owners and/or Engineers. **WwTI**, will not be liable for liquidated damages or other penalties, either direct or indirect, for failure to perform within these estimated dates.

The Standard Conditions of Sale printed on the attached side of this sheet, unless expressly accepted herein, are part of this Quotation. Any provisions in the Purchase Order, which are in conflict with or in addition to the provisions provided herein, shall be come part of the contract only if affirmatively accepted in writing by Buyer and Seller.

End.

STANDARD CONDITIONS OF SALE

1) ACCEPTANCE

This contract is subject to credit approval by WwaterTech, Inc. (Seller) prior to acceptance. In the event of insolvency or other financial difficulty on the part of City of Sherman (Buyer), the Seller may withhold or require payment in advance or seek such other security, as it deems necessary.

2) PAYMENT

Buyer agrees to pay Seller interest at the highest legal rate on any amount unpaid from maturity and Buyer further agrees to pay Seller all reasonable collection or attorney's fees and court costs incurred; under no conditions will credit be extended beyond ninety (90) days without the applicable statutory and common laws liens being filed.

3) CANCELLATION

In the event Buyer cancels the contract or any part thereof, Buyer agrees to reimburse Seller for any costs incurred; including engineering time expended on the pre-approval and approval drawings as well as shop drawings and direct labor with overhead burden, materials and other costs incurred through the date of cancellation, plus a margin of 10% of the contract amount.

4) TAXES

Buyer will pay Seller, in addition to the price stated, the amount of any applicable sales, and gross receipts or other tax which may be imposed on this transaction by the Federal, State, County or Municipal government and any subdivision thereof.

5) TITLE AND RISK OF LOSS

Full risk of loss (including transportation, delays, damages and/or losses) shall pass to Buyer upon delivery of products to the F.O.B. point or at the time of installation, if provided for in the contract. Seller retains title, for security purposes only, to all products whether attached to realty or other property, until fully paid for in cash; and the Buyer agrees to perform all acts, which may be necessary to perfect and assure retention of title in the Seller. In the case of failure by the Buyer to make any payment when due, it is expressly understood that it shall be optional with the Seller to take exclusive possession of the products supplied wherever found and remove same without legal process, and that any payments which may have been made on account of same shall be retained by the company as liquidated damages, without prejudice to its right or recovery for further damage it may suffer from any cause.

6) WARRANTY AND LIMITATION OF REMEDY AND LIABILITY

- A. Seller warrants only that the products and parts manufactured by Seller, when shipped, and the work performed by Seller (including installations, construction and start-up) when performed, will meet all applicable specifications and other specific product and work requirements (including those of performance), if any, of this agreement, and will be free from defects in material and workmanship. All claims for defective or non-conforming (both hereinafter called defective) products or parts under this warranty shall be made in writing within forty-eight (48) hours of discovery, and in any event, within one (1) year from shipment of the applicable item unless Seller specifically assumes installation, construction or start-up responsibility, in all claims for defective or non-conforming work shall be made in writing forty-eight (48) hours upon discovery, and in any event, within one (1) year from completion of the applicable work by Seller, such date to be determined exclusive of instruction, start-up and inspection work done pursuant to the contract; provided, however, all claims for defective products and parts shall be made in writing no later than eighteen (18) months after shipment. Defective and non-conforming items must be held for Seller's inspection and returned to the original F.O.B. point upon request. THE FOREGOING IS EXPRESSLY IN LIEU OF OTHER WARRANTIES WHATSOEVER, EXPRESS, IMPLIED AND SATUTORY, INCLUDING, WITHOUT LIMITATION, THE IMPLIED WARRANTIES OF MECHANTABILITY AND FITNESS.
- B. Any act of the Buyer to alter, modify, or install equipment in a manner contrary to the instructions furnished by the Seller shall serve to void the Seller's warranty on those items altered, modified or improperly installed.
- C. Upon Buyer's submission of a claim as provided herein and substantiation, Seller shall at the option either repair or replace its product, part or work at the original F.O.B. point of delivery or to refund an equitable portion of the purchase price.
- D. Notwithstanding the foregoing provisions of this WARRANTY AND LIABILITY Clause, it is specifically understood that products and parts not manufactured and work not performed by Seller are warranted to the extent and in the manner that the same are warranted to Seller by Seller's vendors, and then only to the extent is reasonably able to enforce such warranty. In enforcing such warranty, it is understood Seller shall have no obligation to initiate litigation unless Buyer undertakes to pay all costs and expenses therefor, including, but not limited to, attorney's fees, and indemnifies Seller against any liability to Seller's vendors arising out of such litigation.
- E. THE FOREGOING IS SELLER'S ONLY OBLIGATION AND BUYER'S EXLUSIVE REMEDY FOR BREACH OF WARRANTY AND, EXCEPT FOR GROSS NEGLIGENCE AND WILLFUL MISCONDUCT. THE FOREGOING IS BUYER'S EXCLUSIVE REMEDY AGAINST SELLER FOR ALL CLAIMS ARISING HEREUNDER OR RELATING HERETO WHETHER SUCH CLAIMS ARE BASED ON BREACH OF CONTRACT, TORS (INCLUDING NEGLIGENCE AND STRICT LIABILITY) OR OTHER THEORIES. BUYER'S FAILURE TO SUBMIT A CLAIM AS PROVIDED ABOVE SHALL SPECIFICALLY WAIVE ALL CLAIMS FOR DAMAGES OR OTHER RELIEF, INCLUDING, BUT NOT LIMITED TO, CLAIMS BASED ON LATENT DEFECTS. IN NO EVENT SHALL BUYER BE ENTITLED TO INCIDENTAL OR CONSEQUENTIAL DAMAGES. ANY ACTION BY BUYER ARISING HEREUNDER OR RELATING HERETO, WHETHER BASED ON BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE AND STRICT LIABILITY) OR OTHER THEORIES, MUST BE COMMENCED WITHIN ONE (1) YEAR AFTER THE CAUSE OF ACTION ACCRUES OR IT SHALL BE BARRED.

7) PATENTS

Should the equipment proposed herein incorporate a patent or a concept that results in a patent or a patent application, title to such patent or concept resulting therefrom shall be retained in full ownership equipment manufacturer represented by WwaterTech, Inc. (WwTI) and shall be the sole property of WwTI's represented manufacturer.

8) BACKCHARGES

Seller will not accept any charge for modification, servicing, adjustment or for any other item without authority in the form of a written order issued from the office of WwTI, in Waller, Texas, in advance of doing the work.

9) TERMS OF AGREEMENT

The acceptance of this order shall be upon the terms and conditions specified herein which shall take precedence and represent the final agreement between Buyer and Seller notwithstanding any inconsistent, contradictory or other and further terms and conditions contained in Buyer's purchase order or other document furnished by Buyer in connection with this order, whether such document or documents are exchanged simultaneously with this order or prior to subsequent thereto.

END.

AGREEMENT FOR POLYCHEM CHAIN AND FLIGHT SLUDGE COLLECTION SYSTEM EQUIPMENT AND SERVICES

The **Greater Texoma Utility Authority**, a political subdivision of the State of Texas (“GTUA”), and **WWaterTech, Inc.**, a Texas corporation (“Contractor”), hereby enter into this Agreement for PolyChem Chain and Flight Sludge Collection System Replacement Materials, Installation and Services (“Agreement”). GTUA and Contractor are sometimes referred to collectively as the “parties” or individually as a “party.”

WHEREAS, GTUA contacted Contractor, seeking Polychem Chain and Flight Sludge Collection System replacement materials, installation and services for the water treatment plant operated by the City of Sherman (“City”); and

WHEREAS, Contractor provided a proposal, attached hereto as Exhibit A and incorporated herein for all purposes (“Proposal”), seeking to provide such materials and services; and

WHEREAS, based on Contractor’s representations, including those representations set forth in the Proposal, Sherman has selected Contractor to provide the materials and services as described in the Proposal under the terms and conditions of this Agreement (the “Project”); and

WHEREAS, the parties agree that the GTUA is exempt from competitive bidding requirements in connection with this Agreement and the Project pursuant to Section 252.022 of the Texas Local Government Code, including but not limited to subsections (a)(2) and (a)(7) of that statute.

NOW, THEREFORE, in consideration of the mutual agreements and covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Scope of Services.
Contractor shall provide the services, equipment, supplies and deliverables that are described in the Proposal on the terms and conditions set forth in the Agreement Documents (as defined below), and shall furnish all personnel, labor, equipment, supplies and all other items necessary to provide the services and deliverables as specified by the terms and conditions of the Agreement Documents (collectively, “Services”).
2. Term.
All Services in connection with this Project must be completed, inspected and accepted by GTUA within 252 days of GTUA issuing a written notice to proceed to the Contractor. All obligations relating to time set forth herein are material and are of the essence of this Agreement. This Agreement shall remain in full force and effect until completion of the Project to the satisfaction of GTUA and the City.
3. Compensation.
In exchange for Contractor’s performance of the Services in accordance with the Agreement Documents, GTUA agrees to pay Contractor in accordance with the pricing

terms of the Proposal attached as Exhibit A. To the extent the terms of the Agreement Documents conflict with the Texas Prompt Payment Act, Chapter 2251 of the Texas Government Code, as amended (“Chapter 2251”) or Subchapter I of Chapter 271 of the Texas Local Government Code, as amended (“Chapter 271”), the terms of Chapter 2251, Chapter 271 and the Agreement Documents shall control in that order.

GTUA shall pay Contractor within thirty (30) days of receipt of an invoice, unless supporting receipts or other supporting documentation have been requested by GTUA, in which case GTUA shall pay the invoice as soon after receiving the supporting receipts or documentation as is reasonable; or unless a dispute arises as to any charge(s) contained in the invoice, in which case GTUA shall pay the undisputed amount of the invoice within thirty (30) days of receipt and shall pay the remaining amount, if any, of the invoice after resolution of the dispute as soon after resolution as is reasonable. Notwithstanding anything to the contrary in the Agreement Documents, GTUA shall not be required to pay any invoice submitted by Contractor if Contractor is in breach of this Agreement.

The parties agree that the continuation of this Agreement after the close of any given fiscal year of GTUA, which closes on September 30th of each calendar year, shall be subject to approval by GTUA’s governing body. In the event that GTUA’s governing body does not approve the appropriation of funds for this Agreement, the Agreement shall terminate at the end of the fiscal year for which funds were appropriated, and the parties shall have no further obligations hereunder, except that GTUA shall be obligated to pay monies owed Contractor for services it has provided pursuant to this Agreement through the end of that fiscal year provided that Contractor is not in breach of this Agreement.

4. Agreement Documents.

The “Agreement Documents,” as that term is used herein, shall mean and include the following documents, and this Agreement expressly incorporates the same herein by reference for all purposes:

- A. This Agreement;
- B. The Proposal, attached hereto as Exhibit A;
- C. GTUA’s Insurance Requirements, attached hereto as Exhibit B;
- D. Affidavit of No Prohibited Interested, attached hereto as Exhibit C; and
- E. Conflict of Interest Questionnaire, attached hereto as Exhibit D.

This Agreement shall incorporate the terms of the Agreement Documents in their entirety. To the extent that Exhibit A, Exhibit B, Exhibit C and Exhibit D are in conflict with provisions of this Agreement or each other, the provisions of this Agreement, then the provisions of Exhibit B, Exhibit C, Exhibit D and Exhibit A shall prevail in that order. Should disputes arise as to responsibilities and obligations set forth in the Agreement Documents, GTUA’s interpretation and/or decision shall be final and binding.

5. Payment, Performance and Maintenance Bonds.

Prior to commencing work under this Agreement, Contractor shall furnish to GTUA a payment bond and a performance bond, each of which shall be in an amount equal to one hundred percent (100%) of the total cost of the Project to ensure GTUA is indemnified: (i) against any claims for nonpayment of any part of the construction or work performed in connection with the Project; and (ii) for the completion of the Project in accordance with this Agreement. Prior to GTUA's final acceptance of the Project, Contractor shall furnish to GTUA a two (2) year maintenance bond in an amount equal to one hundred percent (100%) of the total cost of the Project to ensure the repair or remedy of any maintenance issues GTUA may have regarding the Project after GTUA finally accepts the same.

The bonds required by GTUA pursuant to this Section must be: (i) good and sufficient bonds; (ii) in the amounts prescribed herein; and (iii) with a reputable and solvent corporate surety in favor of GTUA.

6. Entire Agreement.

The Agreement Documents contain all representations, understandings, contracts and agreements between the parties regarding the subject matter of this Agreement. The Agreement Documents supersede all oral or written previous and contemporaneous agreements, writings, understandings, representations or contracts between the parties regarding the subject matter of this Agreement. This Agreement in no way modifies or supersedes any document executed by the parties prior to the Effective Date of this Agreement which does not concern the subject matter of this Agreement. No amendment to the Agreement Documents shall be made except on the written agreement of the parties, which shall not be construed to release either party from any obligation of the Agreement Documents except as specifically provided for in such amendment.

7. Required Insurance.

Contractor shall not start work under this Agreement until Contractor has obtained, at Contractor's expense, all of the insurance specified in, and required by, the Agreement Documents. Contractor shall procure and keep in full force and effect the types and amounts of insurance specified in GTUA's Insurance Requirements, attached hereto as Exhibit B and incorporated herein for all purposes, for and during all aspects and phases of Contractor's work throughout the term of this Agreement at no expense to GTUA. Contractor also shall comply with all other requirements set forth in Exhibit B.

8. No Prohibited Interest; Vendor Disclosure.

Contractor acknowledges and agrees that it is aware of, and will abide by, the no prohibited interest requirement of the City's City Charter. Contractor shall execute and deliver to GTUA the Affidavit of No Prohibited Interest, attached hereto as Exhibit C and incorporated herein for all purposes, no later than the Effective Date of this Agreement (hereinafter defined). Contractor acknowledges and agrees that the existence of a prohibited interest during the term of this Agreement will render this Agreement voidable. Contractor further acknowledges and agrees that it also is aware of, and will abide by, the vendor disclosure requirements set forth in Chapter 176 of the Texas Local Government

Code, as amended. In this connection, Contractor shall execute and deliver to GTUA the Conflict of Interest Questionnaire, Form CIQ, attached hereto as Exhibit D and incorporated herein for all purposes, no later than the Effective Date of this Agreement.

9. Indemnity.

CONTRACTOR HEREBY RELEASES AND SHALL DEFEND, INDEMNIFY AND HOLD HARMLESS GTUA, THE CITY AND THEIR RESPECTIVE BOARD OR CITY COUNCIL MEMBERS, OFFICERS, AGENTS, REPRESENTATIVES AND EMPLOYEES (COLLECTIVELY REFERRED TO AS "GTUA" FOR PURPOSES OF THIS SECTION) FROM AND AGAINST ALL DAMAGES, INJURIES (WHETHER IN CONTRACT OR IN TORT, INCLUDING PERSONAL INJURY AND DEATH), CLAIMS, PROPERTY DAMAGES (INCLUDING LOSS OF USE), LOSSES, DEMANDS, SUITS, ACTIONS, JUDGMENTS, LIENS, COSTS AND EXPENSES, INCLUDING REASONABLE ATTORNEY'S FEES AND EXPENSES (INCLUDING ATTORNEY'S FEES AND EXPENSES INCURRED IN ENFORCING THIS SECTION), THAT IN WHOLE OR IN PART ARISE OUT OF OR ARE CONNECTED WITH GOODS AND/OR SERVICES PROVIDED BY CONTRACTOR, ITS OFFICERS, AGENTS, REPRESENTATIVES, EMPLOYEES, SUBCONTRACTORS, LICENSEES, INVITEES OR ANY OTHER THIRD PARTIES FOR WHOM CONTRACTOR IS LEGALLY RESPONSIBLE (COLLECTIVELY REFERRED TO AS "CONTRACTOR" FOR PURPOSES OF THIS SECTION) PURSUANT TO THIS AGREEMENT AND/OR THE NEGLIGENT, GROSSLY NEGLIGENT AND/OR INTENTIONAL WRONGFUL ACT AND/OR OMISSION OF CONTRACTOR IN ITS/THEIR PERFORMANCE OF THIS AGREEMENT, REGARDLESS OF THE JOINT OR CONCURRENT NEGLIGENCE OF GTUA (COLLECTIVELY, "CLAIMS"). THIS INDEMNIFICATION PROVISION AND THE USE OF THE TERM "CLAIMS" IS ALSO SPECIFICALLY INTENDED TO APPLY TO, BUT IS NOT LIMITED TO, ANY AND ALL CLAIMS, WHETHER CIVIL OR CRIMINAL, BROUGHT AGAINST GTUA BY ANY GOVERNMENT AUTHORITY OR AGENCY RELATED TO ANY PERSON PROVIDING SERVICES UNDER THIS AGREEMENT THAT ARE BASED ON ANY FEDERAL IMMIGRATION LAW AND ANY AND ALL CLAIMS, DEMANDS, DAMAGES, ACTIONS AND CAUSES OF ACTION OF EVERY KIND AND NATURE, KNOWN AND UNKNOWN, EXISTING OR CLAIMED TO EXIST, RELATING TO OR ARISING OUT OF ANY EMPLOYMENT RELATIONSHIP BETWEEN CONTRACTOR AND ITS EMPLOYEES OR SUBCONTRACTORS AS A RESULT OF THAT SUBCONTRACTOR'S OR EMPLOYEE'S EMPLOYMENT AND/OR SEPARATION FROM EMPLOYMENT WITH CONTRACTOR, INCLUDING BUT NOT LIMITED TO ANY DISCRIMINATION CLAIM BASED ON SEX, SEXUAL ORIENTATION OR PREFERENCE, RACE, RELIGION, COLOR, NATIONAL ORIGIN, AGE OR DISABILITY UNDER FEDERAL, STATE OR LOCAL LAW, RULE OR REGULATION, AND/OR ANY CLAIM FOR WRONGFUL TERMINATION, BACK PAY, FUTURE WAGE LOSS, OVERTIME PAY, EMPLOYEE BENEFITS, INJURY SUBJECT TO RELIEF UNDER THE WORKERS' COMPENSATION ACT OR WOULD BE SUBJECT TO RELIEF UNDER ANY POLICY FOR WORKERS COMPENSATION INSURANCE, AND ANY OTHER CLAIM, WHETHER IN TORT, CONTRACT OR OTHERWISE.

IN ITS SOLE DISCRETION, GTUA SHALL HAVE THE RIGHT TO APPROVE OR SELECT DEFENSE COUNSEL TO BE RETAINED BY CONTRACTOR IN FULFILLING ITS OBLIGATION HEREUNDER TO DEFEND AND INDEMNIFY GTUA, UNLESS SUCH RIGHT IS EXPRESSLY WAIVED BY GTUA IN WRITING. GTUA RESERVES THE RIGHT TO PROVIDE A PORTION OR ALL OF ITS OWN DEFENSE; HOWEVER, GTUA IS UNDER NO OBLIGATION TO DO SO. ANY SUCH ACTION BY GTUA IS NOT TO BE CONSTRUED AS A WAIVER OF CONTRACTOR'S OBLIGATION TO DEFEND GTUA OR AS A WAIVER OF CONTRACTOR'S OBLIGATION TO INDEMNIFY GTUA PURSUANT TO THIS AGREEMENT. CONTRACTOR SHALL RETAIN GTUA-APPROVED DEFENSE COUNSEL WITHIN SEVEN (7) BUSINESS DAYS OF GTUA'S WRITTEN NOTICE THAT GTUA IS INVOKING ITS RIGHT TO DEFENSE OR INDEMNIFICATION UNDER THIS AGREEMENT. IF CONTRACTOR FAILS TO RETAIN COUNSEL WITHIN SUCH TIME PERIOD, GTUA SHALL HAVE THE RIGHT TO RETAIN

DEFENSE COUNSEL ON ITS OWN BEHALF, AND CONTRACTOR SHALL BE LIABLE FOR ALL COSTS INCURRED BY GTUA.

THE RIGHTS AND OBLIGATIONS CREATED BY THIS SECTION SHALL SURVIVE TERMINATION OF THIS AGREEMENT.

10. Liability.

To the fullest extent permitted by law, Contractor shall be fully and solely responsible and liable for its own acts and omissions, including those of its officers, agents, representatives, employees, subcontractors, licensees, invitees and all other parties performing services for or on behalf of Contractor under this Agreement, and for any and all damage to Contractor's equipment and other property. GTUA and the City assume no such responsibility or liability. GTUA and the City shall have no such responsibility or liability to either Contractor or its officers, agents, representatives, employees, subcontractors, licensees, invitees or other persons.

11. Compliance with Laws; Standard of Care.

Contractor shall comply with all federal, state and local laws, statutes, ordinances, regulations and policies, as they exist, may be amended or in the future arising, applicable to Contractor and its work. Contractor shall ensure that its officers, agents, representatives, employees, subcontractors, licensees, invitees and other parties performing services for or on behalf of Contractor under this Agreement comply with all applicable laws, statutes, ordinances, regulations and policies. If Contractor observes or is notified that the work under this Agreement is at variance with applicable laws, statutes, ordinances, regulations and policies, Contractor shall immediately notify GTUA in writing. Contractor shall perform the Services in accordance with the prevailing standard of care by exercising the skill and care ordinarily utilized by professionals performing the same or similar services under the same or similar circumstances in the State of Texas.

12. Termination.

GTUA or the City is entitled to terminate this Agreement at any time for any reason or for no reason by giving Contractor at least thirty (30) days' prior written notice of the termination date.

GTUA or the City is entitled to terminate this Agreement immediately on breach of any term or provision of the Agreement Documents by Contractor. If at any time during the term of this Agreement, Contractor shall fail to commence the work in accordance with the provisions of the Agreement Documents or fail to diligently perform the Services in an efficient, timely and careful manner and in strict accordance with the provisions of the Agreement Documents, then GTUA or the City shall have the right to terminate this Agreement and complete the work in any manner it deems desirable, including engaging the services of other parties, if Contractor does not cure any such default after five (5) days written notice thereof. Any such act by GTUA or the City shall not be deemed a waiver of any other right or remedy of GTUA or the City.

If after exercising any remedy provided herein, the cost to GTUA of the performance of the balance of the work under this Agreement is in excess of that part of the Contractor's

Fee which has not yet been paid to Contractor hereunder, Contractor shall be liable for and shall reimburse GTUA for such excess, without waiver of any other right or remedy of GTUA.

The rights and remedies provided by this Agreement are cumulative, and the use of any one right or remedy by either party shall not preclude or waive its rights to use any or all other remedies. These rights and remedies are given in addition to any other rights the parties may have by law, statute, ordinance or otherwise.

13. Authority to Execute.

Each party represents and warrants to the other that it has the full power and authority to enter into and fulfill the obligations of this Agreement. The respective signatories to this Agreement, by affixing their signatures hereto, warrant and represent that they have the authority to bind their respective parties as duly authorized representatives thereof.

14. Assignment.

Contractor agrees that neither this Agreement nor the work to be performed hereunder will be assigned or sublet without the prior written consent of GTUA and the City. Contractor further agrees that the assignment or subletting of any portion or feature of the work or materials required in the performance of this Agreement shall not relieve Contractor of its full obligations to GTUA as provided by this Agreement. All such approved work performed by assignment or subletting shall be billed through Contractor, and there shall be no third-party billing.

15. No Waiver of Immunity.

The parties acknowledge and agree that, in executing and performing this Agreement, GTUA and the City have not waived, nor shall be deemed to have waived, any defense or immunity, including governmental, sovereign and official immunity, that would otherwise be available to them against claims arising in the exercise of governmental powers and functions. By entering into this Agreement, the parties do not create any obligations, express or implied, other than those set forth herein.

16. Savings/Severability.

In the event that a term, condition or provision of this Agreement is determined to be invalid, illegal, void, unenforceable or unlawful by a court of competent jurisdiction, then that term, condition or provision shall be deleted and the remainder of the Agreement shall remain in full force and effect as if such invalid, illegal, void, unenforceable or unlawful provision had never been included in this Agreement.

17. Consideration.

This Agreement is executed by the parties without coercion or duress and for substantial consideration, the sufficiency of which is forever confessed.

18. Attorneys' Fees.

If either party files any action or brings any proceeding against the other arising from this Agreement, then as between GTUA and Contractor, the prevailing party shall be entitled

to recover as an element of its costs of suit, and not as damages, reasonable and necessary attorneys' fees and litigation expenses both at trial and on appeal, subject to the limitations set forth in the TEX. LOC. GOV'T CODE § 271.153, as it exists or may be amended, if applicable.

19. Governing Law; Venue.

The laws of the State of Texas shall govern the interpretation, validity, performance and enforcement of this Agreement, without regard to conflict of law principles. This Agreement is performable in Grayson County, Texas, and the exclusive venue for any action arising out of this Agreement shall be a court of appropriate jurisdiction in Grayson County, Texas.

20. Binding Effect.

This Agreement shall be binding on and inure to the benefit of the parties and their respective heirs, executors, administrators, legal representatives, successors and assigns when permitted by this Agreement.

21. No Waiver.

Waiver by either party of any breach of this Agreement, or the failure of either party to enforce any of the provisions of this Agreement, at any time, shall not in any way affect, limit, or waive such party's right thereafter to enforce and compel strict compliance.

22. Headings.

The headings of the various sections of this Agreement are included solely for convenience of reference and are not to be full or accurate descriptions of the content thereof.

23. Indemnity.

The parties agree that the indemnity provision set forth herein is conspicuous and the parties have read and understood the same.

24. Notice.

Any notice provided or permitted to be given under this Agreement must be in writing and may be served by depositing the same in the United States Mail, addressed to the party to be notified, postage pre-paid and registered or certified with return receipt requested; by electronic mail, with documentation evidencing the addressee's receipt thereof; or by delivering the same in person to such party a via hand-delivery service, or to any courier service that provides a return receipt showing the date of actual delivery of the same to the addressee thereof. Notice given in accordance herewith shall be effective on receipt at the address of the addressee. For purposes of notification, the addresses of the parties shall be as follows:

If to Contractor, to: WWaterTech, Inc.

Attn: _____

Telephone: _____

Email: _____

If to GTUA, to: Greater Texoma Utility Authority
Attn: Paul Sigle
5100 Airport Drive
Denison, TX 75020
Telephone: (903) 786-4433
Email: paul@gtua.org

If to City, to: City of Sherman
Attn: Clint Philpott, P.E.
220 W. Mulberry Street
Sherman, Texas 75090
Telephone: (903) 892-7203
Email: clintp@cityofsherman.com

With a copy to:

Abernathy, Roeder, Boyd & Hullett, P.C.
Attn.: Ryan D. Pittman
1700 Redbud Blvd., Suite 300
McKinney, Texas 75069
Telephone: (214) 544-4000
Email: rpittman@abernathy-law.com

25. Representations.

Each party states that they have carefully read this Agreement, know the contents hereof, have consulted with an attorney of their choice regarding the meaning and effect hereof and is signing the same solely of their own judgment.

26. Independent Contractor.

Contractor covenants and agrees that Contractor is an independent contractor and not an officer, agent, servant or employee of GTUA; that Contractor shall have exclusive control of and exclusive right to control the details of the work performed hereunder and all persons performing the same; that the doctrine of respondent superior shall not apply as between GTUA and Contractor, its officers, agents, employees, contractors, subcontractors and consultants; and that nothing herein shall be construed as creating a partnership or joint enterprise between GTUA and Contractor.

27. Incorporation of Recitals.

The representations, covenants and recitations set forth in the foregoing recitals of this Agreement are true and correct and are hereby incorporated into the body of this Agreement and adopted as findings of GTUA and the authorized representative of Contractor.

28. Reference to Contractor.

When referring to "Contractor" herein, this Agreement shall refer to and be binding upon Contractor, and its officers, directors, partners, employees, representatives, contractors,

subcontractors, licensees, invitees, agents, successors, assignees (as authorized herein), vendors, grantees, trustees, legal representatives and/or any other third parties for whom Contractor is legally responsible.

29. Reference to GTUA.

When referring to “GTUA” herein, this Agreement shall refer to and be binding upon GTUA, its governing body, officers, agents, representatives, employees and/or any other authorized third parties for whom GTUA is legally responsible.

30. Third-Party Beneficiary.

GTUA and Contractor agree the City is an intended third-party beneficiary of their respective obligations under this Agreement and shall be entitled to enforce such obligations as if it were a party hereto and may seek and obtain any and all available remedies in the event a party breaches any term or provision of this Agreement, it being the intent of GTUA and Contractor to confer direct benefits on the City under this Agreement. In addition, GTUA and Contractor agree that the City is entitled to exercise all rights of GTUA under this Agreement.

31. Miscellaneous Drafting Provisions.

This Agreement shall be deemed drafted equally by all parties hereto. The language of all parts of this Agreement shall be construed as a whole according to its fair meaning, and any presumption or principle that the language herein is to be construed against any party shall not apply. Headings in this Agreement are for the convenience of the parties and are not intended to be used in construing this document.

32. Certifications Required by Texas Law.

In accordance with Chapter 2270 of the Texas Government Code (to the extent applicable), Contractor hereby certifies that Contractor does not boycott Israel and will not boycott Israel during the term of any contract with GTUA, including during the term of this Agreement. In accordance with Chapter 809 of the Texas Government Code (to the extent applicable), Contractor hereby certifies that Contractor does not boycott energy companies and will not boycott energy companies during the term of any contract with GTUA, including during the term of this Agreement. In accordance with Chapter 2274 of the Texas Government Code (to the extent applicable), Contractor hereby certifies that Contractor does not have a practice, policy, guidance or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of any contract with GTUA, including during the term of this Agreement. The foregoing terms have the meanings ascribed to them in the referenced statutes if defined therein.

33. Multiple Counterparts.

This Agreement may be executed in a number of identical counterparts, each of which shall be deemed an original for all purposes. An electronic mail and/or facsimile signature will also be deemed to constitute an original if properly executed and delivered to the other party.

34. Duty to Facilitate Compliance with Public Information Act.

- (a) The obligations in this provision apply if this Agreement (1) has a stated expenditure of at least \$1 million in public funds for the purchase of goods or services by GTUA; or (2) results in the expenditure of at least \$1 million in public funds for the purchase of goods or services by GTUA in a fiscal year of GTUA.
- (b) If this Agreement is described in subsection (a) above, Contractor shall comply with the following obligations, which are set forth in Subchapter J, Chapter 552, Texas Government Code:
 - (1) preserve all contracting information related to this Agreement as provided by the records retention requirements applicable to GTUA for the duration of this Agreement;
 - (2) promptly provide to GTUA any contracting information related to this Agreement that is in the custody or possession of Contractor on request of GTUA; and
 - (3) on completion of this Agreement, either: (A) provide at no cost to GTUA all contracting information related to the contract that is in the custody or possession of Contractor; or (B) preserve the contracting information related to this Agreement as provided by the records retention requirements applicable to GTUA.
- (c) As used in this provision, the term “contracting information” shall have the same meaning as that term is defined in Section 552.003, Texas Government Code.
- (d) The requirements of Subchapter J, Chapter 552, Texas Government Code, may apply to this Agreement, and the Contractor agrees that this Agreement can be terminated if the Contractor knowingly or intentionally fails to comply with a requirement of that subchapter.

IN WITNESS WHEREOF, the parties have executed this Agreement and caused this Agreement to be effective when all the parties have signed it. The date this Agreement is signed by the last party to sign it (as indicated by the date associated with that party’s signature below) will be deemed the effective date of this Agreement (“Effective Date”).

GREATER TEXOMA UTILITY AUTHORITY

By: _____
Printed Name: _____
Title: _____
Date: _____

WWATERTECH, INC.,
a Texas corporation

By: _____
Printed Name: _____
Title: _____

Date: _____

Exhibit A
Proposal

[__ *pages attached hereto*]

Exhibit B
City's Insurance Requirements

I. GENERAL INSURANCE REQUIREMENTS –

- A. All policies shall name GTUA and the City of Sherman and their respective officers, agents, representatives and employees as additional insureds as to all applicable coverages with the exception of workers compensation insurance.
- B. Such policies shall require the provision of written notice to GTUA and the City at least thirty (30) days prior to cancellation, non-renewal or material modification of any policies, evidenced by return receipt or United States Certified Mail.
- C. Such policies shall provide for a waiver of subrogation against GTUA and the City for injuries, including death, property damage or any other loss to the extent the same is covered by the proceeds of the insurance.

II. INSURANCE COMPANY QUALIFICATION – All insurance companies providing the required insurance shall be authorized to transact business in the State of Texas and shall have a minimum rating of “A” by A.M. Best’s Key Rating Guide, or other equivalent rating service(s).

III. CERTIFICATE OF INSURANCE – A Certificate of Insurance and all applicable endorsement(s) evidencing the required insurance shall be submitted prior to commencing work under this Agreement. If the Agreement is renewed or extended by GTUA, a Certificate of Insurance and all applicable endorsement(s) shall also be provided to GTUA prior to the date the Agreement is renewed or extended.

IV. INSURANCE CHECKLIST – “X” means that the following coverage is required for this Agreement.

Coverage Required	Limits
<u>X</u> 1. Worker’s Compensation & Employer’s Liability	<ul style="list-style-type: none"> ▪ Statutory Limits of the State of Texas
<u>X</u> 2. General Liability	<ul style="list-style-type: none"> ▪ Minimum \$1,000,000.00 each occurrence; ▪ Minimum \$2,000,000.00 in the aggregate.
___ 3. XCU Coverage	<ul style="list-style-type: none"> ▪ Minimum \$1,000,000.00 each occurrence; ▪ Minimum \$2,000,000.00 in the aggregate.

- ___ 4. Professional Liability
- Minimum \$1,000,000.00 each claim;
 - Minimum \$2,000,000.00 in the aggregate.
-
- ___ 5. Umbrella Coverage or Excess Liability Coverage
- An amount of \$ 2,000,000.00.
-
- X 6. GTUA, the City and their respective officers, agents, representatives and employees named as additional insured on General Liability Policy, as provided above. This coverage is primary to all other coverage GTUA and the City may possess.
- X 7. General Liability Insurance provides for a Waiver of Subrogation against GTUA and the City for injuries, including death, property damage, or any other loss to the extent that same is covered by the proceeds of the insurance. All insurance policies that are required to name GTUA and City as additional insureds must be endorsed to read as primary and non-contributory coverage regardless of the application of other insurance.
- X 8. Thirty (30) days' notice of cancellation, non-renewal, or material change required. The words "endeavor to" and "but failure" (to end of sentence) are to be eliminated from the Notice of Cancellation provision on standard ACORD certificates.
- X 9. Insurance company has a minimum rating of "A" by A.M. Best's Key Rating Guide, or other equivalent rating service(s).
- X 10. The Certificate of Insurance must state the project title.
- ___ 11. Other Insurance Requirements (State Below):

Exhibit C
Affidavit of No Prohibited Interest

THE STATE OF _____ §

THE COUNTY OF _____ §

I, _____, an authorized agent of Contractor, make this affidavit and hereby under oath state the following:

I, and/or a person or persons related to me, have the following interest in a business entity that would be affected by the work or decision under this Agreement (Check all that apply):

- _____ Ownership of ten percent (10%) or more of the voting shares of the business entity.
- _____ Ownership of Twenty Five Thousand and 00/100 Dollars (\$25,000) or more of the fair market value of the business entity.
- _____ Funds received from the business entity exceed ten percent (10%) of my income for the previous year.
- _____ Real property is involved, and I have an equitable or legal ownership with a fair market value of at least Twenty Five Thousand and 00/100 Dollars (\$25,000).
- _____ A relative of mine has a substantial interest in the business entity or property that would be affected by my business decision of the public body which I am a member.
- _____ Other: _____.
- _____ None of the Above.

Upon filing this affidavit with GTUA, I further affirm that no relative of mine, in the first degree by consanguinity or affinity, as defined in Chapter 573, TEX. GOV'T CODE, as amended, is a member of a public body which took action on the agreement.

Signed this ____ day of _____, 2024.

Signature of Official/Title

BEFORE ME, the undersigned authority, this day personally appeared _____, and on oath stated that the facts hereinabove stated are true to the best of his/her knowledge or belief.

Sworn to and subscribed before me on this ____ day of _____, 2024.

Notary Public in and for the State of _____
My commission expires: _____

Exhibit D
Conflict of Interest Questionnaire, Form CIQ

<p align="center">CONFLICT OF INTEREST QUESTIONNAIRE</p> <p align="center">For vendor doing business with local governmental entity</p>	<p align="right">FORM CIQ</p>
<p>This questionnaire reflects changes made to the law by H.B. 23, 84th Leg., Regular Session.</p> <p>This questionnaire is being filed in accordance with Chapter 176, Local Government Code, by a vendor who has a business relationship as defined by Section 176.001(1-a) with a local governmental entity and the vendor meets requirements under Section 176.006(a).</p> <p>By law this questionnaire must be filed with the records administrator of the local governmental entity not later than the 7th business day after the date the vendor becomes aware of facts that require the statement to be filed. See Section 176.006(a-1), Local Government Code.</p> <p>A vendor commits an offense if the vendor knowingly violates Section 176.006, Local Government Code. An offense under this section is a misdemeanor.</p>	<p align="center">OFFICE USE ONLY</p> <p>Date Received</p>
<p>1 Name of vendor who has a business relationship with local governmental entity.</p>	
<p>2 <input type="checkbox"/> Check this box if you are filing an update to a previously filed questionnaire. (The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than the 7th business day after the date on which you became aware that the originally filed questionnaire was incomplete or inaccurate.)</p>	
<p>3 Name of local government officer about whom the information is being disclosed.</p> <p align="center">_____</p> <p align="center">Name of Officer</p>	
<p>4 Describe each employment or other business relationship with the local government officer, or a family member of the officer, as described by Section 176.003(a)(2)(A). Also describe any family relationship with the local government officer. Complete subparts A and B for each employment or business relationship described. Attach additional pages to this Form CIQ as necessary.</p> <p align="center">A. Is the local government officer or a family member of the officer receiving or likely to receive taxable income, other than investment income, from the vendor?</p> <p align="center"><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p align="center">B. Is the vendor receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer or a family member of the officer AND the taxable income is not received from the local governmental entity?</p> <p align="center"><input type="checkbox"/> Yes <input type="checkbox"/> No</p>	
<p>5 Describe each employment or business relationship that the vendor named in Section 1 maintains with a corporation or other business entity with respect to which the local government officer serves as an officer or director, or holds an ownership interest of one percent or more.</p>	
<p>6 <input type="checkbox"/> Check this box if the vendor has given the local government officer or a family member of the officer one or more gifts as described in Section 176.003(a)(2)(B), excluding gifts described in Section 176.003(a-1).</p>	
<p>7</p> <p align="center">_____ Signature of vendor doing business with the governmental entity</p> <p align="right">_____ Date</p>	

AGENDA ITEM XI



GREATER TEXOMA UTILITY AUTHORITY

AGENDA COMMUNICATION

DATE: June 13, 2024

SUBJECT: AGENDA ITEM NO. XI

PREPARED BY: Stacy Patrick, Project Manager
SUBMITTED BY: Paul M. Sigle, General Manager

CONSIDER AND ACT UPON THE AWARD OF CONTRACT FOR CITY OF SHERMAN'S WTP- FLOCCULATION AND SEDIMENTATION IMPROVEMENTS PROJECT.

ISSUE

Consider and act upon the award of contract for City of Sherman's WTP Flocculation and Sedimentation Improvements.

BACKGROUND

The 2024 open market bond issuance for the City of Sherman include funds for the Water Treatment Plant Flocculation and Sedimentation basin improvements. These improvements include but is not limited to, construction of the following: replacement of the flocculators and associated motors, installation of variable frequency drives for flocculator motors, replacement of baffle wall panels, and replacement of effluent throughs/weirs. The Board will be provided with further information on the projects at the Board meeting.

Bids were received for the project at the Sherman City Hall at 2:30 p.m. on May 24th, 2024. A total of one bidder submitted a bid on the project. A summary of the bid results can be found in the attached bid tabulation.

STAFF RECOMMENDATIONS

The Authority Staff recommends authorizing the General Manager to award the contract to Red River Construction Company in the amount of \$1,822,700.00, contingent upon the City of Sherman's City Council taking similar action.

ATTACHED

Bid Tabulation
Recommendation of Award



3000 Internet Blvd
Suite 400
Frisco, TX 75034
TEL 972.377.7480
FAX 972.377.8380
www.GarverUSA.com

May 29th, 2024

City of Sherman Engineering
Attn: Tom Pruitt, PE
220 W Mulberry St.
Sherman, TX 75090

Greater Texoma Utility Authority
Attn: Paul Sigle and Nichole Murphy
5100 Airport Dr.
Denison, TX 75020

Re: City of Sherman
WTP Flocculation and Sedimentation Improvements
Recommendation of Award

To whom it may concern:

Bids were received for the "Sherman WTP Flocculation and Sedimentation Improvements" project at the Sherman City Hall at 2:30 PM on May 24th, 2024. A total of one bidder submitted a bid on the project. A summary of the bid results can be found in the attached bid tabulation.

Red River Construction Company submitted the low bid for the project in the amount of \$1,822,700. This bid includes the Owner's Contingency Allowance as specified at \$100,000.

We believe that the bid submitted by Red River Construction Co. represents a good value for the City of Sherman. We recommend that the construction contract for the "Sherman WTP Flocculation and Sedimentation Improvements" be awarded to Red River Construction Co. in the amount of \$1,822,700.

Please call me if you have any questions.

Sincerely,
GARVER, LLC

Lance Klement, P.E.
Senior Project Manager

Attachments: Bid Tabulation

CITY OF SHERMAN

PROJECT NAME: SHERMAN WTP - FLOCCULATION AND SEDIMENTATION IMPROVEMENTS

GARVER PROJECT NO: 2400730

BID PROPOSAL FORM: ORIGINAL

BIDS RECEIVED: MAY 24, 2024 2:30 PM

				Red River Construction Co.	
ITEM	QTY	UNITS	DESCRIPTION	UNIT PRICE	TOTAL AMOUNT
1	1	LS	All Work as defined in the Contract Documents, except those listed separately below	\$1,662,900.00	\$1,662,900.00
2	1	LS	Mobilization and demobilization	\$59,800.00	\$59,800.00
8	1	LS	Contingency Allowance 1 - WCDs	\$100,000.00	\$100,000.00
TOTAL BASE BID AMOUNTS					\$1,822,700.00

AGREEMENT

THIS AGREEMENT is by and between the GREATER TEXOMA UTILITY AUTHORITY (“GTUA”), and _____, a _____ corporation (the “CONTRACTOR”). GTUA and CONTRACTOR are sometimes referred to collectively as the “parties” or individually as a “party.”

GTUA and CONTRACTOR, in consideration of the mutual covenants hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, agree as follows:

Article 1. **WORK**

CONTRACTOR shall complete all Work as specified or indicated in the Contract Documents (hereinafter defined) and shall furnish all personnel, labor, equipment, supplies and all other items necessary to provide the services and deliverables as specified by the terms and conditions of the Contract Documents (collectively, the “Work”). The Work is generally described as follows:

Sherman WTP Flocculation and Sedimentation Improvements

Article 2. **ENGINEER**

The Project has been designed by Garver, Frisco, Texas, who is hereinafter called ENGINEER and who is to act as GTUA'S representative, assume all duties and responsibilities and have the rights and authority assigned to ENGINEER in the Contract Documents in connection with completion of the Work in accordance with the Contract Documents.

Article 3. **CONTRACT TIME**

- 3.1 The Work must be substantially completed and ready for final payment within 210 calendar days from the date when the Contract Time commences to run, as provided in the General Conditions.
- 3.2 Liquidated Damages. GTUA and CONTRACTOR recognize that time is of the essence of this Agreement and that GTUA will suffer financial loss and actual damages if the Work is not completed within the time specified above, plus any extensions thereof allowed in accordance with the General Conditions. The parties also recognize the delays, expense and difficulties involved in proving in a legal or arbitration proceeding the actual loss and damages suffered by GTUA if the Work is not completed on time. The exact amount of such loss and damages will be difficult to ascertain. Accordingly, instead of requiring any such proof, GTUA and CONTRACTOR agree that CONTRACTOR shall pay GTUA \$ 420.00 for each calendar day in which the Work is not completed, not as a penalty but as liquidated damages for the loss and damages that would be suffered by GTUA as a result of delay for each and every calendar day that the CONTRACTOR shall have failed to have completed the Work as required herein.

Article 4. **CONTRACT PRICE**

GTUA shall pay CONTRACTOR for completion of the Work in accordance with the Contract Documents in current funds as follows:

At the unit prices shown on the Unit Price Bid Schedule included in the Contract Documents.

Article 5. **PAYMENT PROCEDURES**

CONTRACTOR shall submit a Application for Payment in accordance with the General Conditions. Applications for Payment will be processed by GTUA, as provided in the Special Provisions.

CONTRACTOR and GTUA acknowledge and agree that the continuation of this Agreement after the close of any given fiscal year of GTUA, which fiscal year ends on September 30th of each year, shall be subject to GTUA Board approval. In the event that the GTUA Board does not approve the appropriation of funds for this Agreement, the Agreement shall terminate at the end of the fiscal year for which funds were appropriated, and the parties shall have no further obligations hereunder, except that GTUA shall be obligated to pay monies owed CONTRACTOR for Services it has provided pursuant to this Agreement through the end of that fiscal year provided that CONTRACTOR is not in breach of this Agreement.

Article 6. **INTEREST**

If the contract amount of this Agreement is less than \$5,000,000, no interest will be paid to the CONTRACTOR on retained money. When the contract amount exceeds \$5,000,000, no interest will be paid unless required by law.

Article 7. **CONTRACTOR'S REPRESENTATIONS**

In order to induce GTUA to enter into this Agreement, CONTRACTOR makes the following representations:

- 7.1 CONTRACTOR has familiarized itself with the nature and extent of the Contract Documents, Work, site, locality, and all local conditions and Laws and Regulations that, in any manner, may affect cost, progress, performance or furnishing of the Work.
- 7.2 CONTRACTOR has given ENGINEER written notice of all conflicts, errors or discrepancies that he has discovered in the Contract Documents and the written resolution thereof by ENGINEER is acceptable to CONTRACTOR.
- 7.3 CONTRACTOR has reviewed and fully agrees to the limitation of liability provisions included in the Special Provisions.
- 7.4 CONTRACTOR certifies that they are eligible to be awarded government contracts. CONTRACTOR also certifies that any agreement entered into with a subcontractor will contain a clause stating that the subcontractor is eligible to be awarded government contracts.

Article 8. **CONTRACT DOCUMENTS**

The "Contract Documents," which comprise the entire agreement between GTUA and CONTRACTOR concerning the Work, consist of the following:

- 8.1 This Agreement
- 8.2 Solicitation for Bids
- 8.3 Instructions to Respondents
- 8.4 Certifications Required by Texas Law
- 8.5 Suspension and Debarment Certification
- 8.6 Bid Bond and Bid Bond POA
- 8.7 Statement of Respondent's Qualifications
- 8.8 Insurance Requirement Affidavit
- 8.9 Bid Submittal
- 8.10 Resolution of Award

- 8.11 Form 1295, Certificate of Interested Parties
- 8.12 Certificate of Insurance
- 8.13 Performance Bond and POA
- 8.14 Payment Bond and POA
- 8.15 Notice to Proceed
- 8.16 Closeout Documents
- 8.17 Special Provisions
- 8.18 Technical Specification prepared or issued by the City of Sherman dated_____.
- 8.19 Drawings, consisting of sheets numbered ___through __ , inclusive with each sheet bearing the following general title: City of Sherman, _____
- 8.20 Addenda numbers_ to _ , inclusive.
- 8.22 The following, which may be delivered or issued after the Effective Date of the Agreement and are not attached hereto:

All written Amendments, change orders, and other documents amending, modifying, or supplementing the Contract Documents pursuant to the Special Provisions. The parties understand and agree that deviations or modifications to the scope of Work described in the Contract Documents, in the form of one or more written Contingency Change Allowance or also change orders, may be authorized from time to time by GTUA (“Change Orders”). “Extra” work, “claims” invoiced as “extra” work or “claims” which have not been issued as a duly executed, written Change Orders by the GTUA Manager or his designee will not be authorized for payment and/or shall not become part of this Agreement. A duly executed, written Change Order shall be preceded by the GTUA’s authorization for the GTUA Manager to execute said Change Order. CONTRACTOR agrees that GTUA’S project managers are authorized to issue Contingency Allowance Authorization but GTUA’S project managers, superintendents and/or inspectors not authorized to issue verbal or written Change Orders.

There are no Contract Documents other than those listed above. The Contract Documents may only be amended, modified or supplemented, as outlined in this Agreement.

Article 9. INDEMNITY

CONTRACTOR HEREBY RELEASES AND SHALL DEFEND, INDEMNIFY AND HOLD HARMLESS **GTUA**, THE CITY OF SHERMAN AND THEIR RESPECTIVE BOARD OR CITY COUNCIL MEMBERS, OFFICERS, AGENTS, REPRESENTATIVES AND EMPLOYEES (COLLECTIVELY REFERRED TO AS “**GTUA**” FOR PURPOSES OF THIS SECTION) FROM AND AGAINST ALL DAMAGES, INJURIES (WHETHER IN CONTRACT OR IN TORT, INCLUDING PERSONAL INJURY AND DEATH), CLAIMS, PROPERTY DAMAGES (INCLUDING LOSS OF USE), LOSSES, DEMANDS, SUITS, ACTIONS, JUDGMENTS, LIENS, COSTS AND EXPENSES, INCLUDING REASONABLE ATTORNEY’S FEES AND EXPENSES (INCLUDING ATTORNEY’S FEES AND EXPENSES INCURRED IN ENFORCING THIS SECTION), THAT IN WHOLE OR IN PART ARISE OUT OF OR ARE CONNECTED WITH GOODS AND/OR SERVICES PROVIDED BY **CONTRACTOR**, ITS OFFICERS, AGENTS, REPRESENTATIVES, EMPLOYEES, SUBCONTRACTORS, LICENSEES, INVITEES OR ANY OTHER THIRD PARTIES FOR WHOM **CONTRACTOR** IS LEGALLY RESPONSIBLE (COLLECTIVELY REFERRED TO AS “**CONTRACTOR**” FOR PURPOSES OF THIS SECTION) PURSUANT TO THIS AGREEMENT AND/OR THE NEGLIGENT, GROSSLY NEGLIGENT AND/OR INTENTIONAL WRONGFUL ACT AND/OR OMISSION OF **CONTRACTOR** IN ITS/THEIR PERFORMANCE OF THIS AGREEMENT, REGARDLESS OF THE JOINT OR CONCURRENT NEGLIGENCE OF **GTUA** (COLLECTIVELY, “**CLAIMS**”). THIS INDEMNIFICATION PROVISION AND THE USE OF THE TERM “**CLAIMS**” IS ALSO SPECIFICALLY INTENDED TO APPLY TO, BUT IS NOT LIMITED TO, ANY AND ALL CLAIMS, WHETHER CIVIL OR CRIMINAL, BROUGHT AGAINST **GTUA** BY ANY GOVERNMENT AUTHORITY OR AGENCY RELATED TO ANY PERSON PROVIDING SERVICES UNDER THIS AGREEMENT THAT ARE BASED ON ANY FEDERAL IMMIGRATION LAW AND ANY AND ALL CLAIMS, DEMANDS, DAMAGES, ACTIONS AND CAUSES OF ACTION OF EVERY KIND AND NATURE, KNOWN AND UNKNOWN, EXISTING OR CLAIMED TO EXIST, RELATING TO OR ARISING OUT OF ANY EMPLOYMENT RELATIONSHIP BETWEEN **CONTRACTOR** AND ITS EMPLOYEES OR SUBCONTRACTORS AS A RESULT OF THAT SUBCONTRACTOR’S OR EMPLOYEE’S EMPLOYMENT AND/OR SEPARATION FROM EMPLOYMENT WITH **CONTRACTOR**, INCLUDING BUT NOT LIMITED TO ANY DISCRIMINATION CLAIM BASED ON SEX, SEXUAL ORIENTATION OR PREFERENCE, RACE, RELIGION, COLOR, NATIONAL

ORIGIN, AGE OR DISABILITY UNDER FEDERAL, STATE OR LOCAL LAW, RULE OR REGULATION, AND/OR ANY CLAIM FOR WRONGFUL TERMINATION, BACK PAY, FUTURE WAGE LOSS, OVERTIME PAY, EMPLOYEE BENEFITS, INJURY SUBJECT TO RELIEF UNDER THE WORKERS' COMPENSATION ACT OR WOULD BE SUBJECT TO RELIEF UNDER ANY POLICY FOR WORKERS COMPENSATION INSURANCE, AND ANY OTHER CLAIM, WHETHER IN TORT, CONTRACT OR OTHERWISE.

IN ITS SOLE DISCRETION, GTUA SHALL HAVE THE RIGHT TO APPROVE OR SELECT DEFENSE COUNSEL TO BE RETAINED BY CONTRACTOR IN FULFILLING ITS OBLIGATION HEREUNDER TO DEFEND AND INDEMNIFY GTUA, UNLESS SUCH RIGHT IS EXPRESSLY WAIVED BY GTUA IN WRITING. GTUA RESERVES THE RIGHT TO PROVIDE A PORTION OR ALL OF ITS OWN DEFENSE; HOWEVER, GTUA IS UNDER NO OBLIGATION TO DO SO. ANY SUCH ACTION BY GTUA IS NOT TO BE CONSTRUED AS A WAIVER OF CONTRACTOR'S OBLIGATION TO DEFEND GTUA OR AS A WAIVER OF CONTRACTOR'S OBLIGATION TO INDEMNIFY GTUA PURSUANT TO THIS AGREEMENT. CONTRACTOR SHALL RETAIN GTUA-APPROVED DEFENSE COUNSEL WITHIN SEVEN (7) BUSINESS DAYS OF GTUA'S WRITTEN NOTICE THAT GTUA IS INVOKING ITS RIGHT TO DEFENSE OR INDEMNIFICATION UNDER THIS AGREEMENT. IF CONTRACTOR FAILS TO RETAIN COUNSEL WITHIN SUCH TIME PERIOD, GTUA SHALL HAVE THE RIGHT TO RETAIN DEFENSE COUNSEL ON ITS OWN BEHALF, AND CONTRACTOR SHALL BE LIABLE FOR ALL COSTS INCURRED BY GTUA.

THE RIGHTS AND OBLIGATIONS CREATED BY THIS SECTION SHALL SURVIVE TERMINATION OF THIS AGREEMENT.

Article 10. **LIABILITY**

To the fullest extent permitted by law, CONTRACTOR shall be fully and solely responsible and liable for its own acts and omissions, including those of its officers, agents, representatives, employees, subcontractors, licensees, invitees and all other parties performing services for or on behalf of CONTRACTOR under this Agreement, and for any and all damage to CONTRACTOR's equipment and other property. GTUA and the City of Sherman assume no such responsibility or liability. GTUA and the City of Sherman shall have no such responsibility or liability to either CONTRACTOR or its officers, agents, representatives, employees, subcontractors, licensees, invitees or other persons.

Article 11. **TERMINATION**

GTUA or the City of Sherman is entitled to terminate this Agreement at any time for any reason or for no reason by giving CONTRACTOR at least thirty (30) days' prior written notice of the termination date.

GTUA or the City of Sherman is entitled to terminate this Agreement immediately on breach of any term or provision of the Contract Documents by CONTRACTOR. If at any time during the term of this Agreement, CONTRACTOR shall fail to commence the work in accordance with the provisions of the Contract Documents or fail to diligently perform the work in an efficient, timely and careful manner and in strict accordance with the provisions of the Contract Documents, then GTUA or the City of Sherman shall have the right to terminate this Agreement. Any such act by GTUA or the City of Sherman shall not be deemed a waiver of any other right or remedy of GTUA or the City of Sherman.

The rights and remedies provided by this Agreement are cumulative, and the use of any one right or remedy by either party shall not preclude or waive its rights to use any or all other remedies. These rights and remedies are given in addition to any other rights the parties may have by law, statute, ordinance, or otherwise.

Article 12. **MISCELLANEOUS**

12.1 Terms used in the Agreement will have the meanings indicated in the Special Provisions.

12.2 No assignment by a party hereto of any rights under or interests in the Contract Documents will be binding on another party hereto without the written consent of the party sought to be bound; and specifically, but without limitation, monies that may become due and monies that are due, may not be assigned without such

consent (except to the extent that the effect of this restriction may be limited by law), and unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under the Contract Documents.

- 12.3 CONTRACTOR acknowledges and agrees that the existence of a prohibited interest during the term of this Agreement will render this Agreement voidable. CONTRACTOR further acknowledges and agrees that it also is aware of, and will abide by, the vendor disclosure requirements set forth in Chapter 176 of the Texas Local Government Code, as amended.
- 12.4 Each party represents and warrants to the other that it has the full power and authority to enter into and fulfill the obligations of this Agreement. The respective signatories to this Agreement, by affixing their signatures hereto, warrant and represent that they have the authority to bind their respective parties as duly authorized representatives thereof.
- 12.5 The parties acknowledge and agree that, in executing and performing this Agreement, GTUA has not waived, nor shall be deemed to have waived, any defense or immunity, including governmental, sovereign and official immunity, that would otherwise be available to it or the City of Sherman against claims arising in the exercise of governmental powers and functions. By entering into this Agreement, the parties do not create any obligations, express or implied, other than those set forth herein.
- 12.6 In the event that a term, condition or provision of this Agreement is determined to be invalid, illegal, void, unenforceable or unlawful by a court of competent jurisdiction, then that term, condition or provision shall be deleted and the remainder of the Agreement shall remain in full force and effect as if such invalid, illegal, void, unenforceable or unlawful provision had never been included in this Agreement.
- 12.7 If either party files any action or brings any proceeding against the other arising from this Agreement, then as between GTUA and CONTRACTOR, the prevailing party shall be entitled to recover as an element of its costs of suit, and not as damages, reasonable and necessary attorneys' fees and litigation expenses both at trial and on appeal, subject to the limitations set forth in TEX. LOC. GOV'T CODE § 271.153, as it exists or may be amended, if applicable.
- 12.8 The laws of the State of Texas shall govern the interpretation, validity, performance and enforcement of this Agreement, without regard to conflict of law principles. This Agreement is performable in Grayson County, Texas, and the exclusive venue for any action arising out of this Agreement shall be a court of appropriate jurisdiction in Grayson County, Texas.
- 12.9 Waiver by either party of any breach of this Agreement, or the failure of either party to enforce any of the provisions of this Agreement, at any time, shall not in any way affect, limit, or waive such party's right thereafter to enforce and compel strict compliance.
- 12.10 CONTRACTOR covenants and agrees that CONTRACTOR is an independent contractor and not an officer, agent, servant or employee of GTUA; that CONTRACTOR shall have exclusive control of and exclusive right to control the details of the work performed hereunder and all persons performing the same; that the doctrine of respondent superior shall not apply as between GTUA and CONTRACTOR, its officers, agents, employees, contractors, subcontractors and consultants; and that nothing herein shall be construed as creating a partnership or joint enterprise between GTUA and CONTRACTOR.
- 12.11 GTUA and CONTRACTOR agree the City of Sherman is an intended third-party beneficiary of CONTRACTOR's obligations under the Contract Documents and shall be entitled to enforce such obligations as if it were a party hereto and may seek and obtain any and all available remedies against CONTRACTOR in the event

CONTRACTOR breaches any term or provision of the Contract Documents, it being the intent of GTUA and CONTRACTOR to confer direct benefits on the City of Sherman under the Contract Documents. In addition, GTUA and CONTRACTOR agree that the City of Sherman is entitled to exercise all rights of GTUA under the Contract Documents.

- 12.12 This Agreement shall be deemed drafted equally by all parties hereto. The language of all parts of this Agreement shall be construed as a whole according to its fair meaning, and any presumption or principle that the language herein is to be construed against any party shall not apply. Headings in this Agreement are for the convenience of the parties and are not intended to be used in construing this document.
- 12.13 This Agreement may be executed in a number of identical counterparts, each of which shall be deemed an original for all purposes. An electronic mail and/or facsimile signature will also be deemed to constitute an original if properly executed and delivered to the other party.
- 12.14 GTUA and CONTRACTOR each binds itself, its partners, successors, assign, and legal representatives to the other party hereto, its partners, successors, assign and legal representatives in respect of all covenants, agreements and obligations contained in the Contract Documents.

Article 13. **OTHER PROVISIONS**

None.

IN WITNESS WHEREOF, GTUA and CONTRACTOR have signed this Agreement in multiple copies. One counterpart each has been delivered to GTUA, CONTRACTOR and ENGINEER. All portions of the Contract Documents have been signed or identified by GTUA and CONTRACTOR or by ENGINEER on their behalf. The date this Agreement is signed by the last party to sign it (as indicated by the date associated with that party's signature below) will be deemed the effective date of this Agreement (the "Effective Date").

GTUA: CONTRACTOR: _____

By: _____

By: _____

Date: _____

Date: _____

(Corporate Seal)

Attest: _____

Attest: _____

Address for giving notices:

Address for giving notices:

AGENDA ITEM XII



GREATER TEXOMA UTILITY AUTHORITY

AGENDA COMMUNICATION

DATE: June 13, 2024

SUBJECT: AGENDA ITEM NO. XII

PREPARED BY: Nichole Murphy, Senior Project Manager
AND SUBMITTED BY: Paul M. Sigle, General Manager

CONSIDER ALL MATTERS INCIDENT AND RELATED TO THE GREATER TEXOMA UTILITY AUTHORITY CONTRACT REVENUE BONDS, TAXABLE SERIES 2024 (ARLEDGE RIDGE WATER SUPPLY CORPORATION PROJECT), INCLUDING THE ADOPTION OF A RESOLUTION APPROVING THE EXECUTION OF A CONTRACT OF INDEMNIFICATION WITH THE ARLEDGE RIDGE WATER SUPPLY CORPORATION AND APPROVING THE EXECUTION OF A FINANCING AGREEMENT WITH THE TEXAS WATER DEVELOPMENT BOARD IN CONNECTION THEREWITH.

ISSUE

Consider and act upon authorization to execute a Financing Agreement with Texas Water Development Board (“TWDB”) and a Contract of Indemnification with Arledge Ridge Water Supply Corporation.

BACKGROUND

The Arledge Ridge WSC requested the Authority staff assist in obtaining funding for improvements to the water system. Arledge is seeking funding to replace two booster pumps and add pressure tanks to the system as well as upgrade meters.

The Texas Water Development Board (“TWDB”) Texas Water Development Fund (DFund) was selected as the funding source for these improvements. The DFund is a state funded loan program with below market interest rates.

CONSIDERATIONS

The TWDB requires Financing Agreements for their DFUND Program. These agreements commit us to the funding prior to the TWDB going to market to fund the DFUND bond issues. If we do not end up pursuing the funding, then there are liquidated damage clauses that kick-in and require a penalty payment. The TWDB does not want to issue debt for entities that are not planning to borrow it.

Kristen Savant, Bond Counsel, has drafted a Contract of Indemnification to accompany the Financing Agreement. The Contract of Indemnification would be executed between Arledge Ridge WSC and GTUA. The primary goal of that contract is to make the Corporation liable for the liquidated damages should they decide not to go forward with the Bonds.

STAFF RECOMMENDATIONS

The staff recommends that the Board authorize the execution of the Contract of Indemnification. In addition, the staff recommends authorization to execute the Financing Agreement contingent upon the Corporation approving and executing the Contract of Indemnification.

ATTACHMENTS

Financing Agreement
Contract of Indemnification

A RESOLUTION by the Board of Directors of the Greater Texoma Utility Authority approving and authorizing the execution of a Contract of Indemnification with the Arledge Ridge Water Supply Corporation in connection with the issuance of contract revenue bonds on behalf of the Corporation; approving and authorizing the execution of a Financing Agreement with the Texas Water Development Board; and resolving other matters incident and related thereto

WHEREAS, the Texas Water Development Board (the "TWDB") has agreed to purchase the "Greater Texoma Utility Authority Contract Revenue Bonds, Taxable Series 2024 (Arledge Ridge Water Supply Corporation Project)" (the "Bonds") for the purpose of financing water system projects on behalf of the Arledge Ridge Water Supply Corporation (the "Corporation") (the "TWDB commitment"); and

WHEREAS, the TWDB is issuing Water Financial Assistance Bonds (TWDB Bonds) solely for the purpose of funding the TWDB commitment, and, as a condition to the TWDB commitment, the Authority is required to execute a Financing Agreement prepared by the TWDB; and

WHEREAS, Section 3 of the Financing Agreement sets forth provisions relating to penalties and costs should the Authority fail to deliver the Bonds by August 31, 2024; and

WHEREAS, the Board hereby finds and determines that such penalties and costs referenced in Section 3 of the Financing Agreement should be the responsibility of the Corporation and not the Authority since the Authority is issuing the Bonds on behalf of the Corporation; and

WHEREAS, the Board hereby finds and determines that the Contract of Indemnification with the Corporation substantially in the form and content attached hereto as Exhibit A and the Financing Agreement with the Texas Water Development Board substantially in the form and content attached hereto as Exhibit B should be approved and authorized to be executed as hereinafter provided; now, therefore

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE GREATER TEXOMA UTILITY AUTHORITY:

SECTION 1. The Contract of Indemnification by and between the Authority and the Corporation substantially in the form and content attached hereto as **Exhibit A** and incorporated herein for all purposes, together with such changes or revisions as the General Manager deems necessary to carry out the purpose thereof, is hereby approved for and on behalf of the Authority. The General Manager of the Authority is hereby authorized and directed to execute such Contract for and on behalf of the Authority and as its act and deed, and such contract as executed by the General Manager shall be deemed approved by the Board of Directors and constitute the Contract of Indemnification herein approved.

SECTION 2. The Financing Agreement by and between the Authority and the Texas Water Development, substantially in the form and content attached hereto as **Exhibit B** and incorporated herein for all purposes, together with such changes or revisions as the General Manager deems necessary to carry out the purpose thereof, is hereby approved for and on behalf of the Authority subject to the approval thereof by the Board of Directors of the

Corporation. Following the approval of the Contract of Indemnification by the Corporation, the Financing Agreement is hereby authorized to be executed by the General Manager for and on behalf of the Authority and as the act and deed of this Board, and such agreement as executed by the General Manager shall be deemed approved by the Board of Directors and constitute the Financing Agreement herein approved.

SECTION 3. This Resolution shall take effect and be in force from and after its passage.

[remainder of page left blank intentionally]

PASSED AND APPROVED, this June 17, 2024.

GREATER TEXOMA UTILITY AUTHORITY

President, Board of Directors

ATTEST:

Secretary, Board of Directors

(Authority Seal)

EXHIBIT A

CONTRACT OF INDEMNIFICATION

CONTRACT OF INDEMNIFICATION

THIS CONTRACT ("Contract") is made and entered into as of _____, 2024, between the GREATER TEXOMA UTILITY AUTHORITY (hereinafter referred to as the "Authority"), a conservation and reclamation authority, a governmental agency, a political subdivision of the State of Texas, and a body politic corporate, duly created, existing and acting by virtue of Constitution and the laws of the State of Texas, including Texas Special District Local Laws Code, Chapter 8283 (the "Act"), and the ARLEDGE RIDGE WATER SUPPLY CORPORATION (hereinafter referred to as the "Corporation"), duly created and existing under the laws of the State of Texas:

RECITALS

WHEREAS, the Texas Water Development Board (the "TWDB") has agreed to purchase the "Greater Texoma Utility Authority Contract Revenue Bonds, Taxable Series 2024 (Arledge Ridge Water Supply Corporation Project)" (the "GTUA Bonds") for the purpose of financing water system projects on behalf of the Corporation (the "TWDB commitment"); and

WHEREAS, the TWDB is issuing its Water Financial Assistance Bonds (TWDB Bonds) solely for the purpose of funding the TWDB commitment; and,

WHEREAS, as a condition to the TWDB commitment, the Authority is required to execute a Financing Agreement prepared by the TWDB (a form of such Financing Agreement being attached hereto as Exhibit A); and

WHEREAS, the Financing Agreement, specifically Section 3, sets forth provisions relating to penalties and costs should the Authority fail to deliver the GTUA Bonds by August 31, 2024; and

WHEREAS, SINCE THE AUTHORITY IS ISSUING THE BONDS AND ENTERING INTO FINANCING AGREEMENT ON BEHALF OF, AND FOR THE BENEFIT OF, THE CORPORATION, THE CORPORATION AGREES THAT ANY COSTS OR PENALTIES IMPOSED BY THE TWDB AGAINST GTUA PURSUANT TO THE FINANCING AGREEMENT SHALL BE THE SOLE RESPONSIBILITY OF THE CORPORATION AND NOT THE AUTHORITY;

WHEREAS, the Authority and the Corporation, acting through their duly constituted governing bodies have mutually agreed upon the terms and conditions of this Contract; now, therefore

IN CONSIDERATION of the mutual covenants, agreements and undertakings herein set forth, the parties hereto hereby agree and contract as follows:

Section 1. **THE CORPORATION AND THE AUTHORITY HEREBY AGREE THAT ANY AND ALL COSTS, PENALTIES, TERMINATION PAYMENTS OR OTHER AMOUNTS OWED BY THE AUTHORITY TO THE TEXAS WATER DEVELOPMENT BOARD PURSUANT TO THE FINANCING AGREEMENT, SPECIFICALLY SECTION 3 OF THE FINANCING AGREEMENT, SHALL BE PAID BY THE CORPORATION TO THE AUTHORITY TO INDEMNIFY THE AUTHORITY FOR SUCH COSTS, PENALTIES, TERMINATION PAYMENT OR OTHER AMOUNTS OWED, NOTWITHSTANDING ANY NEGLIGENCE ON THE PART OF GTUA. SUCH PAYMENT SHALL BE MADE BY THE CORPORATION TO THE AUTHORITY**

NO LATER THAN DECEMBER 3, 2024. THE AUTHORITY SHALL HAVE NO RESPONSIBILITY WITH RESPECT TO SUCH AMOUNTS OWED PURSUANT TO THE FINANCING AGREEMENT AND THE CORPORATION SHALL HOLD HARMLESS THE AUTHORITY FOR ANY SUCH COSTS, PENALTIES, TERMINATION PAYMENTS OR ANY OTHER AMOUNTS OWED TO THE TEXAS WATER DEVELOPMENT BOARD PURSUANT TO THE FINANCING AGREEMENT. The Corporation will not be liable for any failure due to force majeure pursuant to section 12 of the Financing Agreement.

Section 2. The Authority agrees to timely comply with the requirements of the TWDB set forth in Section 5 of the Financing Agreement.

[remainder of page left blank intentionally]

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

GREATER TEXOMA UTILITY AUTHORITY

(Authority Seal)

By: _____
General Manager

ARLEDGE RIDGE WATER SUPPLY CORPORATION

(Corporation Seal)

By: _____
President

ATTEST:

Secretary

EXHIBIT A
FINANCING AGREEMENT



FINANCING AGREEMENT

This FINANCING AGREEMENT (Agreement) is entered into between the TEXAS WATER DEVELOPMENT BOARD (TWDB), and the GREATER TEXOMA UTILITY AUTHORITY (Authority). The TWDB and the Authority may be referred to as the "Party or the Parties" in this Agreement.

RECITALS

WHEREAS, the TWDB adopted Resolution No. 24-028 (Attachment A referred to as the Resolution) on May 9, 2024, making a commitment to the Authority for financial assistance in a total amount of \$2,880,000 (TWDB Commitment) from the Financial Assistance Account of the Development Fund II (DFund II) administered by the TWDB; and

WHEREAS, through this Agreement, the Authority intends to sell to the TWDB the Authority's \$2,880,000 <<NAME OF BONDS>>, Proposed Series 2024 (Authority Bonds) for the TWDB's financial assistance from DFund II, as further described in Attachment B; and

WHEREAS, DFund II is funded, in part, with proceeds of the TWDB's Water Financial Assistance Bonds (TWDB Bonds) authorized under Texas Water Code § 17.959 and Texas Constitution, Article III, Sections 49-d-8, 49-d-9, 49-d-11, and money received as repayment of financial assistance provided from DFund II which is used to pay the principal and interest on such TWDB Bonds; and

WHEREAS, the Resolution provides that funding the TWDB Commitment is contingent on a future sale of TWDB Bonds or on the availability of funds on hand; and

WHEREAS, the TWDB and the Authority desire to enter into this Agreement to set forth the obligations of the Parties with respect to the TWDB providing financial assistance to the Authority.

NOW, THEREFORE, for and in consideration of the promises and the mutual covenants contained in this Agreement, the TWDB and the Authority agree as follows:

AGREEMENT

SECTION 1. MUTUAL COMMITMENT. As further described in the Resolution, the TWDB committed to the Authority and the Authority hereby commits to borrow from the TWDB an amount not to exceed \$2,880,000 from DFund II to be evidenced by the issuance and delivery of Authority Bonds to the TWDB consistent with the terms and conditions described in this Agreement, Attachment A and Attachment B.

SECTION 2. TRANSACTION SCHEDULE AND EARLY REDEMPTION. By execution of this Agreement, the Authority acknowledges and represents that it has a current need for financial assistance from the TWDB and will take all necessary steps to issue and deliver the Authority Bonds to evidence the TWDB Commitment described in Section 1.

To confirm the terms of the Authority Bonds, the Authority must execute this Agreement. The foregoing notwithstanding, the TWDB consents to early redemption, or prepayment, of the Authority Bonds, as provided for in this Agreement and the accompanying TWDB Resolution attached as Attachment A. The Authority Bonds may be prepaid by the Authority on any date beginning on or after the first scheduled interest payment date that occurs no earlier than 10 years from the dated date of the Authority Bonds.

In order to mutually assure the performance of the Parties under this Agreement, the Parties agree that the issuance and delivery of the Authority's Bonds to TWDB must occur not later than **August 31, 2024** (Delivery Deadline). Failure by the Authority to issue and deliver to the TWDB the Authority's Bonds will result in the Authority being liable to the TWDB for the stipulated damages agreed to by the Parties in Section 3 of this Agreement.

SECTION 3. BREACH OF AGREEMENT, LIQUIDATED DAMAGES.

- A. The Authority understands and agrees that TWDB will incur severe and irreparable damages if the Authority's Bonds are not issued and delivered by the Delivery Deadline. The Authority will be in breach of this Agreement if the Authority fails to issue and deliver to the TWDB the Authority's Bonds under the terms of this Agreement, on or before the Delivery Deadline.
- B. In the event of the breach described in Section 3A, the Parties agree that quantifying the TWDB's losses arising from the Authority's failure to issue and deliver its bonds to the TWDB is inherently difficult. The Parties therefore stipulate that the sum agreed upon for liquidated damages is not a penalty, but rather a reasonable measure of damages based on the Parties' respective experience in the industry and the nature of the TWDB's losses that may result from the Authority's failure to issue and deliver its bonds to the TWDB. In recognition of the difficulties thereof, if the Authority fails to issue and deliver to the TWDB the Authority's bonds by the Delivery Deadline, the Authority agrees to pay from lawfully available funds \$113,262.74. The Authority is

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Greater Texoma Utility Authority

Financing Agreement

Page 2

obligated to pay such costs to the TWDB no later than **December 3, 2024**.

SECTION 4. EXECUTION DATE, AMORTIZATION, AND FINAL REPAYMENT STRUCTURE.

This Agreement must be fully executed by both Parties no later than **June 30, 2024**. The Authority must provide the TWDB a maturity schedule in the form set forth in Attachment B at the time of execution of this Agreement. A final amortization schedule adopted by the Authority, and included in the Authority's private placement memorandum and Authority Bond resolution, must reflect the final repayment schedule as set forth in Attachment B at the time of the execution of this Agreement.

SECTION 5. CONTINGENCIES AND TERMINATION.

The Parties agree that the Authority's obligation to issue and deliver the Authority's Bonds is contingent upon approval by the Texas Attorney General of the Authority's Bonds. The Authority agrees to use its best efforts to obtain approval by the Texas Attorney General of the Authority's Bonds to satisfy the delivery and issuance requirements set forth in Section 2 of this Agreement. To this end, the Authority agrees as follows:

- (1) The Authority must timely file the transcript of proceedings for the Authority Bonds with the Texas Attorney General;
- (2) The Authority must comply with the requirements and conditions contained in the Resolution;
- (3) The Authority must provide the TWDB with a copy of the preliminary approval letter from the Texas Attorney General promptly upon receipt;
- (4) The Authority must provide the TWDB with a copy of its responses to the preliminary approval letter concurrently with the submission of such responses to the Texas Attorney General; and
- (5) The Authority must allow TWDB to brief the Texas Attorney General on any issues noted in the preliminary approval letter and initiate or participate in conferences with the Texas Attorney General related to the approval of the Authority's Bonds.

Accordingly, if after the Authority employs its best efforts to obtain approval by the Texas Attorney General and such approval cannot be obtained, as a matter of law, the TWDB may at its sole discretion terminate this Agreement. Upon termination by the TWDB, the Authority will pay, from any of its lawfully available funds, the agreed-upon liquidated damages as provided by Section 3B, no later than **December 3, 2024**.

SECTION 6. REDEMPTION OF OUTSTANDING DEBT. Proceeds of the Authority's bonds will not be used, in whole or in part, to redeem outstanding bonds, commercial paper, or other

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Greater Texoma Utility Authority

Financing Agreement

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obligations issued by the Authority without prior written approval by the Development Fund Manager. The Authority agrees that it will not take or fail to take any action that will cause the TWDB Bonds to be considered to be advance refunding bonds under Section 149(d) of the Internal Revenue Code of 1986, as amended.

SECTION 7. NOTICES. All notices, agreements or other communications required by this Agreement will be given, and will be deemed given, when delivered in writing to the address, facsimile, or email of the identified Party or Parties set forth below:

Texas Water Development Board Development Fund Manager P.O. Box 13231 Austin, Texas 78711-3231 Telephone (512) 475-4584 Facsimile (512) 475-2053	Greater Texoma Utility Authority Attn: <<ENTITY CONTACT>> <<ENTITY ADDRESS>> Telephone: Facsimile: E-mail:
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SECTION 8. SEVERABILITY. In the event any provision of this Agreement is held illegal, invalid or unenforceable by any court of competent jurisdiction, such holding will not invalidate, render unenforceable or otherwise affect any other provisions hereof.

SECTION 9. AMENDMENTS, SUPPLEMENTS AND MODIFICATIONS. This Agreement may be amended, supplemented, or modified only in a writing executed by duly authorized representatives of the Parties.

SECTION 10. APPLICABLE LAW. This Agreement and any amendments will be governed by and construed in accordance with the laws of the State of Texas.

SECTION 11. STATE AUDIT. By executing this Agreement, the Authority accepts the authority of the Texas State Auditor's Office to conduct audits and investigations in connection with all state funds received pursuant to this Agreement. The Authority must comply with any directive from the Texas State Auditor and will cooperate in any such investigation or audit. The Authority agrees to provide the Texas State Auditor with access to any information the Texas State Auditor considers relevant to the investigation or audit. The Authority also agrees to include a provision in any contract or subcontract related to this Agreement that requires the contractor and the subcontractor to submit to audits and investigations by the Texas State Auditor's Office in connection with any state funds received pursuant to the contract or subcontract.

SECTION 12. FORCE MAJEURE. Either Party to this Agreement may be excused from performance under this contract for any period when performance is prevented as the result of an act of God, strike, war, civil disturbance, or epidemic, provided that the Party experiencing the event of Force Majeure has prudently and promptly acted to take any and all steps that are within the Party's control to ensure performance and to shorten the

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duration of the event of Force Majeure. The Party suffering an event of Force Majeure must provide notice of the event to the other Party as soon as practicable but not later than five business days after the event. Subject to this provision, such nonperformance will not be deemed a breach or a ground for termination.

SECTION 13. EFFECTIVE DATE. This Agreement is effective as of the date of the last signature below.

SECTION 14. BINDING AGREEMENT. The execution of this Agreement has been authorized by the governing boards of both Parties. The individuals executing this Agreement have the legal authority to bind each respective Party to the terms and conditions of this Agreement. The respective commitments of the TWDB and the Authority set forth above is binding upon the TWDB and the Authority upon both Parties' execution of this Agreement.

[Remainder of Page Intentionally Left Blank]

EXECUTED in multiple counterparts, each of which shall be deemed to be an original.

GREATER TEXOMA UTILITY AUTHORITY

By: _____

Name: <<RESPONSIBLE OFFICIAL>>

Title: <<TITLE>>

Date: _____

DRAFT

TEXAS WATER DEVELOPMENT BOARD

By: _____

Name: Bryan McMath

Title: Interim Executive Administrator

Date: _____

DRAFT

ATTACHMENT A

TWDB RESOLUTION NO. 24-028

DRAFT

A RESOLUTION OF THE TEXAS WATER DEVELOPMENT BOARD
APPROVING AN APPLICATION FOR FINANCIAL ASSISTANCE IN THE AMOUNT OF
\$2,880,000 TO GREATER TEXOMA UTILITY AUTHORITY
FROM THE FINANCIAL ASSISTANCE ACCOUNT OF
THE TEXAS WATER DEVELOPMENT FUND II
THROUGH THE PROPOSED PURCHASE OF
\$2,880,000 GREATER TEXOMA UTILITY AUTHORITY
CONTRACT REVENUE BONDS, PROPOSED TAXABLE SERIES 2024
(ARLEDGE RIDGE WATER SUPPLY CORPORATION PROJECT)

(24-028)

Recitals:

The Greater Texoma Utility Authority (Authority), has filed an application for financial assistance in the amount of \$2,880,000 from the Financial Assistance Account of the Texas Water Development Fund II, established by Texas Water Code § 17.959, to finance water system improvements, identified as Project No. 21834.

The Authority seeks financial assistance from the Texas Water Development Board (TWDB) in the amount of \$2,880,000 through the TWDB's purchase of \$2,880,000 Greater Texoma Utility Authority Contract Revenue Bonds, Proposed Taxable Series 2024 (Arledge Ridge Water Supply Corporation Project) (together with all authorizing documents (Obligations)), all as is more specifically set forth in the application and in recommendations of the TWDB's staff.

The Authority has offered a pledge of contract revenue as sufficient security for the repayment of the Obligations.

The commitment is approved for funding under the TWDB's pre-design funding option, and initial and future releases of funds are subject to 31 TAC § 363.16.

In accordance with Texas Water Code § 17.124, the TWDB has considered all matters required by law and in particular the following:

1. the needs of the area to be served by the water supply project, the benefit of the water supply project to the area, the relationship of the water supply project to the overall, statewide water needs, and the relationship of the water supply project to the approved regional and state water plans; and
2. the availability of revenue to the Authority, from all sources, for the ultimate repayment of the cost of the water supply project, including interest.

Findings:

1. The public interest requires state assistance in the water supply project, in accordance with Texas Water Code § 17.125(a)(1).
2. In its opinion the tax or revenue pledged by the Authority will be sufficient to meet all the Obligations assumed by the Authority during the succeeding period of not more than 50 years, in accordance with Texas Water Code § 17.125(a)(2).
3. The Authority, a wholesale supplier of water, has adopted a resolution affirming that it will coordinate with its retail providers to implement a water conservation program that will result in the more efficient use of water, that will meet reasonably anticipated local needs and conditions and that will incorporate those practices, techniques, or technologies prescribed by the Texas Water Code and TWDB's rules.
4. The application and financial assistance requested meet the requirements of Chapter 17, Subchapters D, E, and L, Water Code, and the TWDB's rules set forth in 31 TAC Chapter 363, Subchapter A.
5. The TWDB has approved a regional water plan for the region of the state that includes the area benefiting from the project and the needs to be addressed by the project will be addressed in a manner that is consistent with the approved regional and state water plans, as required by Texas Water Code § 16.053(j).
6. The current water audit required by Texas Water Code § 16.0121 has been completed by the Arledge Ridge Water Supply Corporation (WSC) and filed with the TWDB, in accordance with Texas Water Code § 16.053(j).

NOW THEREFORE, based on these findings, the TWDB resolves:

A commitment is made by the TWDB to the Greater Texoma Utility Authority for financial assistance in the amount of \$2,880,000 from the Financial Assistance Account of the Texas Water Development Fund II, to be evidenced by the TWDB's purchase of \$2,880,000 Greater Texoma Utility Authority Contract Revenue Bonds, Proposed Taxable Series 2024 (Arledge Ridge Water Supply Corporation Project). This commitment will expire on September 30, 2024.

This commitment is conditioned as follows:

Standard Conditions:

1. This commitment is contingent on a future sale of bonds by the TWDB or on the availability of funds on hand as determined by the TWDB.

2. This commitment is contingent upon the issuance of a written approving opinion of the Attorney General of the State of Texas stating that the Authority complied with all of the requirements of the laws under which the Obligations were issued; that the Obligations were issued in conformance with the Constitution and laws of the State of Texas; and that the Obligations are valid and binding obligations of the Authority.
3. This commitment is contingent upon the Authority's compliance with all applicable laws, rules, policies, and guidance (as these may be amended from time to time to adapt to a change in law, in circumstances, or any other legal requirement), including but not limited to 31 TAC Chapter 363.
4. The Obligations must provide that the Obligations can be called for early redemption only in inverse order of maturity, and on any date beginning on or after the first interest payment date that is 10 years from the dated date of the Obligations, at a redemption price of par, together with accrued interest to the date fixed for redemption.
5. The Obligations must provide that the Authority, or an obligated person for whom financial or operating data is presented to the TWDB in the application for financial assistance either individually or in combination with other issuers of the Authority's Obligations or obligated persons, will, at a minimum, covenant to comply with requirements for continuing disclosure on an ongoing basis substantially in the manner required by Securities and Exchange Commission (SEC) in 17 CFR § 240.15c2-12 (Rule 15c2-12) and determined as if the TWDB were a Participating Underwriter within the meaning of such rule, such continuing disclosure undertaking being for the benefit of the TWDB and the beneficial owners of the Authority's Obligations, if the TWDB sells or otherwise transfers such Obligations, and the beneficial owners of the TWDB's bonds if the Authority is an obligated person with respect to the bonds under SEC Rule 15c2-12.
6. The Obligations must require the Authority to use any surplus financial assistance proceeds from the Obligations remaining after completion of a final accounting in a manner approved by the Executive Administrator.
7. The Obligations must provide that the TWDB may exercise all remedies available to it in law or equity, and any provision of the Obligations that restricts or limits the TWDB's full exercise of these remedies will be of no force and effect.
8. Financial assistance proceeds are public funds. Therefore, the Obligations must require that these proceeds be held at a designated state depository institution or other properly chartered and authorized institution in accordance with the Public

Funds Investment Act, Government Code, Chapter 2256 and the Public Funds Collateral Act, Government Code, Chapter 2257.

9. Proceeds of this commitment must not be used by the Authority when sampling, testing, removing, or disposing of contaminated soils or media at the project site. The Obligations must provide that the Authority is solely responsible for liability resulting from acts or omissions of the Authority, its employees, contractors, or agents arising from the sampling, analysis, transport, storage, treatment, recycling, and disposition of any contaminated sewage sludge, contaminated sediments or contaminated media that may be generated by the Authority, its contractors, consultants, agents, officials, and employees as a result of activities relating to the Project to the extent permitted by law.
10. Before closing, the Authority must submit documentation evidencing the adoption and implementation of sufficient system rates and charges or, if applicable, the levy of an interest and sinking tax rate sufficient for the repayment of all system debt service requirements.
11. Before closing, and if required under the TWDB's financial assistance program and not previously provided with the application, the Authority must submit an executed engineering contract as appropriate for the project scope of work, and an executed financial advisor contract and executed bond counsel contract as appropriate for the work to be performed in obtaining the TWDB's financial assistance for the project, in a form and substance satisfactory to the Executive Administrator. Fees to be reimbursed under any consulting contract must be reasonable in relation to the services performed, must be reflected in the contract, and must be acceptable to the Executive Administrator.
12. Before closing, when any portion of financial assistance proceeds are to be held in escrow or in trust, the Authority must execute an escrow agreement or trust agreement, approved as to form and substance by the Executive Administrator, and must submit that executed agreement to the TWDB.
13. The Executive Administrator may require that the Authority execute a separate financing agreement in form and substance acceptable to the Executive Administrator.
14. The Authority must abide by all applicable construction contract requirements related to the use of iron and steel products produced in the United States, as required by Texas Government Code, Chapter 2252, Subchapter F and Texas Water Code § 17.183.

15. The Authority must immediately notify TWDB, in writing, of any suit against it by the Attorney General of Texas under Texas Penal Code § 1.10(f) (related to federal laws regulating firearms, firearm accessories, and firearm ammunition).

Pledge Conditions:

16. Upon request by the Executive Administrator, the Authority must submit annual audits of contracting parties for the Executive Administrator's review.
17. The Obligations must require the Authority to maintain and enforce the contracts with its customers so that the revenues paid to the Authority by its customers are sufficient to meet the revenue requirements of the Authority's obligations arising from the operation of the water and sewer system.
18. The Obligations must provide that the pledged contract revenues from the Authority will not be pledged to the payment of any additional parity obligations of the Authority secured by a pledge of the same contract revenues unless the Authority demonstrates to the Executive Administrator's satisfaction that the pledged contract revenues will be sufficient for the repayment of all Obligations and additional parity obligations.
19. Before closing, the Authority must submit executed contracts between the Authority and the contracting parties regarding the contract revenues pledged to the payment of the Authority's Obligations, in form and substance acceptable to the Executive Administrator. The contracts must include provisions consistent with the provisions of this Resolution regarding the contracting parties' annual audits, the setting of rates and charges, and collection of revenues sufficient to meet the Authority's debt service obligations and additional parity obligations.

Special Conditions:

20. Before closing: (a) the Authority must ensure that the WSC has adopted and implemented the water conservation program approved by the TWDB; and (b) the Authority must include in its contract with the Contracting Parties a requirement that the Contracting Parties adopt a water conservation plan that complies with TWDB rules and is approved by the Authority. If this requirement is to be included in an existing water or wastewater service contract, it may be included at the earliest of the renewal or substantial amendment of that contract, or by other appropriate measures.

APPROVED and ordered of record this the 9th day of May 2024.

TEXAS WATER DEVELOPMENT BOARD

for Brooke T. Paup, Chairwoman

DATE SIGNED: _____

ATTEST:

Bryan McMath, Interim Executive Administrator

DRAFT

ATTACHMENT B

[TO BE FILLED OUT BY THE BORROWER FA]

DESCRIPTION OF BORROWER BONDS

Title of Borrower Bonds:

Project Name:

Project Number:

Aggregate Principal Amount of Borrower Bonds:

Anticipated Closing Date:

Dated Date:

First Principal Payment Date:

First Interest Payment Date:

Interest Accrual Date:

Maturity Schedule:

DRAFT

EXHIBIT B

FINANCING AGREEMENT



FINANCING AGREEMENT

This FINANCING AGREEMENT (Agreement) is entered into between the TEXAS WATER DEVELOPMENT BOARD (TWDB), and the GREATER TEXOMA UTILITY AUTHORITY (Authority). The TWDB and the Authority may be referred to as the “Party or the Parties” in this Agreement.

RECITALS

WHEREAS, the TWDB adopted Resolution No. 24-028 (Attachment A referred to as the Resolution) on May 9, 2024, making a commitment to the Authority for financial assistance in a total amount of \$2,880,000 (TWDB Commitment) from the Financial Assistance Account of the Development Fund II (DFund II) administered by the TWDB; and

WHEREAS, through this Agreement, the Authority intends to sell to the TWDB the Authority’s \$2,880,000 <<NAME OF BONDS>>, Proposed Series 2024 (Authority Bonds) for the TWDB’s financial assistance from DFund II, as further described in Attachment B; and

WHEREAS, DFund II is funded, in part, with proceeds of the TWDB’s Water Financial Assistance Bonds (TWDB Bonds) authorized under Texas Water Code § 17.959 and Texas Constitution, Article III, Sections 49-d-8, 49-d-9, 49-d-11, and money received as repayment of financial assistance provided from DFund II which is used to pay the principal and interest on such TWDB Bonds; and

WHEREAS, the Resolution provides that funding the TWDB Commitment is contingent on a future sale of TWDB Bonds or on the availability of funds on hand; and

WHEREAS, the TWDB and the Authority desire to enter into this Agreement to set forth the obligations of the Parties with respect to the TWDB providing financial assistance to the Authority.

NOW, THEREFORE, for and in consideration of the promises and the mutual covenants contained in this Agreement, the TWDB and the Authority agree as follows:

AGREEMENT

SECTION 1. MUTUAL COMMITMENT. As further described in the Resolution, the TWDB committed to the Authority and the Authority hereby commits to borrow from the TWDB an amount not to exceed \$2,880,000 from DFund II to be evidenced by the issuance and delivery of Authority Bonds to the TWDB consistent with the terms and conditions described in this Agreement, Attachment A and Attachment B.

SECTION 2. TRANSACTION SCHEDULE AND EARLY REDEMPTION. By execution of this Agreement, the Authority acknowledges and represents that it has a current need for financial assistance from the TWDB and will take all necessary steps to issue and deliver the Authority Bonds to evidence the TWDB Commitment described in Section 1.

To confirm the terms of the Authority Bonds, the Authority must execute this Agreement. The foregoing notwithstanding, the TWDB consents to early redemption, or prepayment, of the Authority Bonds, as provided for in this Agreement and the accompanying TWDB Resolution attached as Attachment A. The Authority Bonds may be prepaid by the Authority on any date beginning on or after the first scheduled interest payment date that occurs no earlier than 10 years from the dated date of the Authority Bonds.

In order to mutually assure the performance of the Parties under this Agreement, the Parties agree that the issuance and delivery of the Authority's Bonds to TWDB must occur not later than **August 31, 2024** (Delivery Deadline). Failure by the Authority to issue and deliver to the TWDB the Authority's Bonds will result in the Authority being liable to the TWDB for the stipulated damages agreed to by the Parties in Section 3 of this Agreement.

SECTION 3. BREACH OF AGREEMENT, LIQUIDATED DAMAGES.

- A. The Authority understands and agrees that TWDB will incur severe and irreparable damages if the Authority's Bonds are not issued and delivered by the Delivery Deadline. The Authority will be in breach of this Agreement if the Authority fails to issue and deliver to the TWDB the Authority's Bonds under the terms of this Agreement, on or before the Delivery Deadline.
- B. In the event of the breach described in Section 3A, the Parties agree that quantifying the TWDB's losses arising from the Authority's failure to issue and deliver its bonds to the TWDB is inherently difficult. The Parties therefore stipulate that the sum agreed upon for liquidated damages is not a penalty, but rather a reasonable measure of damages based on the Parties' respective experience in the industry and the nature of the TWDB's losses that may result from the Authority's failure to issue and deliver its bonds to the TWDB. In recognition of the difficulties thereof, if the Authority fails to issue and deliver to the TWDB the Authority's bonds by the Delivery Deadline, the Authority agrees to pay from lawfully available funds \$113,262.74. The Authority is

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Greater Texoma Utility Authority

Financing Agreement

Page 2

obligated to pay such costs to the TWDB no later than **December 3, 2024**.

SECTION 4. EXECUTION DATE, AMORTIZATION, AND FINAL REPAYMENT STRUCTURE.

This Agreement must be fully executed by both Parties no later than **June 30, 2024**. The Authority must provide the TWDB a maturity schedule in the form set forth in Attachment B at the time of execution of this Agreement. A final amortization schedule adopted by the Authority, and included in the Authority's private placement memorandum and Authority Bond resolution, must reflect the final repayment schedule as set forth in Attachment B at the time of the execution of this Agreement.

SECTION 5. CONTINGENCIES AND TERMINATION.

The Parties agree that the Authority's obligation to issue and deliver the Authority's Bonds is contingent upon approval by the Texas Attorney General of the Authority's Bonds. The Authority agrees to use its best efforts to obtain approval by the Texas Attorney General of the Authority's Bonds to satisfy the delivery and issuance requirements set forth in Section 2 of this Agreement. To this end, the Authority agrees as follows:

- (1) The Authority must timely file the transcript of proceedings for the Authority Bonds with the Texas Attorney General;
- (2) The Authority must comply with the requirements and conditions contained in the Resolution;
- (3) The Authority must provide the TWDB with a copy of the preliminary approval letter from the Texas Attorney General promptly upon receipt;
- (4) The Authority must provide the TWDB with a copy of its responses to the preliminary approval letter concurrently with the submission of such responses to the Texas Attorney General; and
- (5) The Authority must allow TWDB to brief the Texas Attorney General on any issues noted in the preliminary approval letter and initiate or participate in conferences with the Texas Attorney General related to the approval of the Authority's Bonds.

Accordingly, if after the Authority employs its best efforts to obtain approval by the Texas Attorney General and such approval cannot be obtained, as a matter of law, the TWDB may at its sole discretion terminate this Agreement. Upon termination by the TWDB, the Authority will pay, from any of its lawfully available funds, the agreed-upon liquidated damages as provided by Section 3B, no later than **December 3, 2024**.

SECTION 6. REDEMPTION OF OUTSTANDING DEBT. Proceeds of the Authority's bonds will not be used, in whole or in part, to redeem outstanding bonds, commercial paper, or other

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Greater Texoma Utility Authority

Financing Agreement

Page 3

obligations issued by the Authority without prior written approval by the Development Fund Manager. The Authority agrees that it will not take or fail to take any action that will cause the TWDB Bonds to be considered to be advance refunding bonds under Section 149(d) of the Internal Revenue Code of 1986, as amended.

SECTION 7. NOTICES. All notices, agreements or other communications required by this Agreement will be given, and will be deemed given, when delivered in writing to the address, facsimile, or email of the identified Party or Parties set forth below:

Texas Water Development Board Development Fund Manager P.O. Box 13231 Austin, Texas 78711-3231 Telephone (512) 475-4584 Facsimile (512) 475-2053	Greater Texoma Utility Authority Attn: <<ENTITY CONTACT>> <<ENTITY ADDRESS>> Telephone: Facsimile: E-mail:
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SECTION 8. SEVERABILITY. In the event any provision of this Agreement is held illegal, invalid or unenforceable by any court of competent jurisdiction, such holding will not invalidate, render unenforceable or otherwise affect any other provisions hereof.

SECTION 9. AMENDMENTS, SUPPLEMENTS AND MODIFICATIONS. This Agreement may be amended, supplemented, or modified only in a writing executed by duly authorized representatives of the Parties.

SECTION 10. APPLICABLE LAW. This Agreement and any amendments will be governed by and construed in accordance with the laws of the State of Texas.

SECTION 11. STATE AUDIT. By executing this Agreement, the Authority accepts the authority of the Texas State Auditor's Office to conduct audits and investigations in connection with all state funds received pursuant to this Agreement. The Authority must comply with any directive from the Texas State Auditor and will cooperate in any such investigation or audit. The Authority agrees to provide the Texas State Auditor with access to any information the Texas State Auditor considers relevant to the investigation or audit. The Authority also agrees to include a provision in any contract or subcontract related to this Agreement that requires the contractor and the subcontractor to submit to audits and investigations by the Texas State Auditor's Office in connection with any state funds received pursuant to the contract or subcontract.

SECTION 12. FORCE MAJEURE. Either Party to this Agreement may be excused from performance under this contract for any period when performance is prevented as the result of an act of God, strike, war, civil disturbance, or epidemic, provided that the Party experiencing the event of Force Majeure has prudently and promptly acted to take any and all steps that are within the Party's control to ensure performance and to shorten the

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duration of the event of Force Majeure. The Party suffering an event of Force Majeure must provide notice of the event to the other Party as soon as practicable but not later than five business days after the event. Subject to this provision, such nonperformance will not be deemed a breach or a ground for termination.

SECTION 13. EFFECTIVE DATE. This Agreement is effective as of the date of the last signature below.

SECTION 14. BINDING AGREEMENT. The execution of this Agreement has been authorized by the governing boards of both Parties. The individuals executing this Agreement have the legal authority to bind each respective Party to the terms and conditions of this Agreement. The respective commitments of the TWDB and the Authority set forth above is binding upon the TWDB and the Authority upon both Parties' execution of this Agreement.

[Remainder of Page Intentionally Left Blank]

EXECUTED in multiple counterparts, each of which shall be deemed to be an original.

GREATER TEXOMA UTILITY AUTHORITY

By: _____

Name: <<RESPONSIBLE OFFICIAL>>

Title: <<TITLE>>

Date: _____

DRAFT

TEXAS WATER DEVELOPMENT BOARD

By: _____

Name: Bryan McMath

Title: Interim Executive Administrator

Date: _____

DRAFT

ATTACHMENT A

TWDB RESOLUTION NO. 24-028

DRAFT

A RESOLUTION OF THE TEXAS WATER DEVELOPMENT BOARD
APPROVING AN APPLICATION FOR FINANCIAL ASSISTANCE IN THE AMOUNT OF
\$2,880,000 TO GREATER TEXOMA UTILITY AUTHORITY
FROM THE FINANCIAL ASSISTANCE ACCOUNT OF
THE TEXAS WATER DEVELOPMENT FUND II
THROUGH THE PROPOSED PURCHASE OF
\$2,880,000 GREATER TEXOMA UTILITY AUTHORITY
CONTRACT REVENUE BONDS, PROPOSED TAXABLE SERIES 2024
(ARLEDGE RIDGE WATER SUPPLY CORPORATION PROJECT)

(24-028)

Recitals:

The Greater Texoma Utility Authority (Authority), has filed an application for financial assistance in the amount of \$2,880,000 from the Financial Assistance Account of the Texas Water Development Fund II, established by Texas Water Code § 17.959, to finance water system improvements, identified as Project No. 21834.

The Authority seeks financial assistance from the Texas Water Development Board (TWDB) in the amount of \$2,880,000 through the TWDB's purchase of \$2,880,000 Greater Texoma Utility Authority Contract Revenue Bonds, Proposed Taxable Series 2024 (Arledge Ridge Water Supply Corporation Project) (together with all authorizing documents (Obligations)), all as is more specifically set forth in the application and in recommendations of the TWDB's staff.

The Authority has offered a pledge of contract revenue as sufficient security for the repayment of the Obligations.

The commitment is approved for funding under the TWDB's pre-design funding option, and initial and future releases of funds are subject to 31 TAC § 363.16.

In accordance with Texas Water Code § 17.124, the TWDB has considered all matters required by law and in particular the following:

1. the needs of the area to be served by the water supply project, the benefit of the water supply project to the area, the relationship of the water supply project to the overall, statewide water needs, and the relationship of the water supply project to the approved regional and state water plans; and
2. the availability of revenue to the Authority, from all sources, for the ultimate repayment of the cost of the water supply project, including interest.

Findings:

1. The public interest requires state assistance in the water supply project, in accordance with Texas Water Code § 17.125(a)(1).
2. In its opinion the tax or revenue pledged by the Authority will be sufficient to meet all the Obligations assumed by the Authority during the succeeding period of not more than 50 years, in accordance with Texas Water Code § 17.125(a)(2).
3. The Authority, a wholesale supplier of water, has adopted a resolution affirming that it will coordinate with its retail providers to implement a water conservation program that will result in the more efficient use of water, that will meet reasonably anticipated local needs and conditions and that will incorporate those practices, techniques, or technologies prescribed by the Texas Water Code and TWDB's rules.
4. The application and financial assistance requested meet the requirements of Chapter 17, Subchapters D, E, and L, Water Code, and the TWDB's rules set forth in 31 TAC Chapter 363, Subchapter A.
5. The TWDB has approved a regional water plan for the region of the state that includes the area benefiting from the project and the needs to be addressed by the project will be addressed in a manner that is consistent with the approved regional and state water plans, as required by Texas Water Code § 16.053(j).
6. The current water audit required by Texas Water Code § 16.0121 has been completed by the Arledge Ridge Water Supply Corporation (WSC) and filed with the TWDB, in accordance with Texas Water Code § 16.053(j).

NOW THEREFORE, based on these findings, the TWDB resolves:

A commitment is made by the TWDB to the Greater Texoma Utility Authority for financial assistance in the amount of \$2,880,000 from the Financial Assistance Account of the Texas Water Development Fund II, to be evidenced by the TWDB's purchase of \$2,880,000 Greater Texoma Utility Authority Contract Revenue Bonds, Proposed Taxable Series 2024 (Arledge Ridge Water Supply Corporation Project). This commitment will expire on September 30, 2024.

This commitment is conditioned as follows:

Standard Conditions:

1. This commitment is contingent on a future sale of bonds by the TWDB or on the availability of funds on hand as determined by the TWDB.

2. This commitment is contingent upon the issuance of a written approving opinion of the Attorney General of the State of Texas stating that the Authority complied with all of the requirements of the laws under which the Obligations were issued; that the Obligations were issued in conformance with the Constitution and laws of the State of Texas; and that the Obligations are valid and binding obligations of the Authority.
3. This commitment is contingent upon the Authority's compliance with all applicable laws, rules, policies, and guidance (as these may be amended from time to time to adapt to a change in law, in circumstances, or any other legal requirement), including but not limited to 31 TAC Chapter 363.
4. The Obligations must provide that the Obligations can be called for early redemption only in inverse order of maturity, and on any date beginning on or after the first interest payment date that is 10 years from the dated date of the Obligations, at a redemption price of par, together with accrued interest to the date fixed for redemption.
5. The Obligations must provide that the Authority, or an obligated person for whom financial or operating data is presented to the TWDB in the application for financial assistance either individually or in combination with other issuers of the Authority's Obligations or obligated persons, will, at a minimum, covenant to comply with requirements for continuing disclosure on an ongoing basis substantially in the manner required by Securities and Exchange Commission (SEC) in 17 CFR § 240.15c2-12 (Rule 15c2-12) and determined as if the TWDB were a Participating Underwriter within the meaning of such rule, such continuing disclosure undertaking being for the benefit of the TWDB and the beneficial owners of the Authority's Obligations, if the TWDB sells or otherwise transfers such Obligations, and the beneficial owners of the TWDB's bonds if the Authority is an obligated person with respect to the bonds under SEC Rule 15c2-12.
6. The Obligations must require the Authority to use any surplus financial assistance proceeds from the Obligations remaining after completion of a final accounting in a manner approved by the Executive Administrator.
7. The Obligations must provide that the TWDB may exercise all remedies available to it in law or equity, and any provision of the Obligations that restricts or limits the TWDB's full exercise of these remedies will be of no force and effect.
8. Financial assistance proceeds are public funds. Therefore, the Obligations must require that these proceeds be held at a designated state depository institution or other properly chartered and authorized institution in accordance with the Public

Funds Investment Act, Government Code, Chapter 2256 and the Public Funds Collateral Act, Government Code, Chapter 2257.

9. Proceeds of this commitment must not be used by the Authority when sampling, testing, removing, or disposing of contaminated soils or media at the project site. The Obligations must provide that the Authority is solely responsible for liability resulting from acts or omissions of the Authority, its employees, contractors, or agents arising from the sampling, analysis, transport, storage, treatment, recycling, and disposition of any contaminated sewage sludge, contaminated sediments or contaminated media that may be generated by the Authority, its contractors, consultants, agents, officials, and employees as a result of activities relating to the Project to the extent permitted by law.
10. Before closing, the Authority must submit documentation evidencing the adoption and implementation of sufficient system rates and charges or, if applicable, the levy of an interest and sinking tax rate sufficient for the repayment of all system debt service requirements.
11. Before closing, and if required under the TWDB's financial assistance program and not previously provided with the application, the Authority must submit an executed engineering contract as appropriate for the project scope of work, and an executed financial advisor contract and executed bond counsel contract as appropriate for the work to be performed in obtaining the TWDB's financial assistance for the project, in a form and substance satisfactory to the Executive Administrator. Fees to be reimbursed under any consulting contract must be reasonable in relation to the services performed, must be reflected in the contract, and must be acceptable to the Executive Administrator.
12. Before closing, when any portion of financial assistance proceeds are to be held in escrow or in trust, the Authority must execute an escrow agreement or trust agreement, approved as to form and substance by the Executive Administrator, and must submit that executed agreement to the TWDB.
13. The Executive Administrator may require that the Authority execute a separate financing agreement in form and substance acceptable to the Executive Administrator.
14. The Authority must abide by all applicable construction contract requirements related to the use of iron and steel products produced in the United States, as required by Texas Government Code, Chapter 2252, Subchapter F and Texas Water Code § 17.183.

15. The Authority must immediately notify TWDB, in writing, of any suit against it by the Attorney General of Texas under Texas Penal Code § 1.10(f) (related to federal laws regulating firearms, firearm accessories, and firearm ammunition).

Pledge Conditions:

16. Upon request by the Executive Administrator, the Authority must submit annual audits of contracting parties for the Executive Administrator's review.
17. The Obligations must require the Authority to maintain and enforce the contracts with its customers so that the revenues paid to the Authority by its customers are sufficient to meet the revenue requirements of the Authority's obligations arising from the operation of the water and sewer system.
18. The Obligations must provide that the pledged contract revenues from the Authority will not be pledged to the payment of any additional parity obligations of the Authority secured by a pledge of the same contract revenues unless the Authority demonstrates to the Executive Administrator's satisfaction that the pledged contract revenues will be sufficient for the repayment of all Obligations and additional parity obligations.
19. Before closing, the Authority must submit executed contracts between the Authority and the contracting parties regarding the contract revenues pledged to the payment of the Authority's Obligations, in form and substance acceptable to the Executive Administrator. The contracts must include provisions consistent with the provisions of this Resolution regarding the contracting parties' annual audits, the setting of rates and charges, and collection of revenues sufficient to meet the Authority's debt service obligations and additional parity obligations.

Special Conditions:

20. Before closing: (a) the Authority must ensure that the WSC has adopted and implemented the water conservation program approved by the TWDB; and (b) the Authority must include in its contract with the Contracting Parties a requirement that the Contracting Parties adopt a water conservation plan that complies with TWDB rules and is approved by the Authority. If this requirement is to be included in an existing water or wastewater service contract, it may be included at the earliest of the renewal or substantial amendment of that contract, or by other appropriate measures.

APPROVED and ordered of record this the 9th day of May 2024.

TEXAS WATER DEVELOPMENT BOARD

for Brooke T. Paup, Chairwoman

DATE SIGNED: _____

ATTEST:

Bryan McMath, Interim Executive Administrator

DRAFT

ATTACHMENT B

[TO BE FILLED OUT BY THE BORROWER FA]

DESCRIPTION OF BORROWER BONDS

Title of Borrower Bonds:

Project Name:

Project Number:

Aggregate Principal Amount of Borrower Bonds:

Anticipated Closing Date:

Dated Date:

First Principal Payment Date:

First Interest Payment Date:

Interest Accrual Date:

Maturity Schedule:

DRAFT

AGENDA ITEM XIII



GREATER TEXOMA UTILITY AUTHORITY

AGENDA COMMUNICATION

DATE: June 13, 2024

SUBJECT: AGENDA ITEM NO. XIII

PREPARED AND SUBMITTED BY: Paul M. Sigle, General Manager

CONSIDER ALL MATTERS INCIDENT AND RELATED TO THE ISSUANCE, SALE AND DELIVERY OF “GREATER TEXOMA UTILITY AUTHORITY CONTRACT REVENUE BONDS, SERIES 2024A (CITY OF SHERMAN PROJECT)”, INCLUDING THE ADOPTION OF A RESOLUTION AUTHORIZING THE ISSUANCE OF SUCH BONDS, ESTABLISHING PARAMETERS FOR THE SALE AND ISSUANCE OF SUCH BONDS AND DELEGATING CERTAIN MATTERS TO AUTHORIZED OFFICIALS OF THE AUTHORITY.

ISSUE

Consider all matters incident and related to the issuance and sale of “Greater Texoma Utility Authority Contract Revenue Bonds, Series 2024A (City of Sherman Project)”.

BACKGROUND

The City of Sherman has requested assistance in obtaining funding for improvements to the City’s water and wastewater system. These improvements include engineering, design, and construction of projects including but not limited to water treatment plant expansion, water and sewer lines improvements, Lake Texoma Pump Station improvements, and wastewater treatment plant expansion.

CONSIDERATIONS

At this meeting, General Manager requests delegated sale authority so we can accept bids shortly after the bonds are priced via negotiated sale. The City of Sherman Council will consent to the issuance of the bonds on September 3, 2024, following the negotiated sale. The Bond Issuance is scheduled to close on October 1, 2024.

The parameters resolution was not complete at the time this memo was drafted. The resolution will contain limitations on the following: 1) The aggregate principal amount of the Bonds, 2) The true interest cost of the Bonds, and 3) The maximum maturity date of the Bonds.

STAFF RECOMMENDATIONS

The Authority Staff recommends the adoption of a resolution for General Manager to operate as Pricing Officer for the sale of the Bonds on behalf of the City of Sherman.

ATTACHMENTS

Timetable for Issuance
Project List
Preliminary Debt Service Schedule
Bond Resolution



Greater Texoma Utility Authority (Sherman) Timetable for Issuance of Contract Revenue Bonds, Series 2024-A (Revised)

- | | |
|----------------------------|--|
| Friday, June 7, 2024 | • City/GTUA advise FA & Bond Counsel of not to exceed bond amount. |
| Monday, June 17, 2024* | • Authority Board approves delegated sale authority. |
| Monday, July 15, 2024 | • Preliminary Official Statement (POS) distributed by Financial Advisor for comments by working group. |
| Week of
July 29, 2024 | • Rating call (with S&P; time and day TBA). |
| Monday, August 12, 2024 | • Rating and insurance responses due. |
| Tuesday, August 13, 2024 | • POS is electronically posted on I-Deal. |
| Wednesday, August 28, 2024 | • Series 2024-A Bonds are priced via negotiated sale and final rates are locked. |
| Tuesday, September 3, 2024 | • City Council meeting to affirm delegated sale of Bonds. |
| Tuesday, October 1, 2024 | • Closing. Bond proceeds distributed according to Closing Instruction Letter. |

* Regular Authority Board Meeting.

Project	Description	Capitol Cost
WWTP Reuse Project	Convert WW to reuse and send to creek back to Lake Texoma. Approximately 64,000-LF 36" - Engineering Design	\$ 2,000,000.00
Dripping Springs Road	Upgrade old 6" Rural Water Line to 12" Sherman Standard PVC pipe	\$ 250,000.00
Stephens Road Ground Storage Tank and Pump Station	Stephens Ground Storage Tank Rehabilitation. The station recently experienced a failure inside the tank during an EPA inspection and was noted for need of immediate repair.	\$ 2,600,000.00
Shepard Road	Replace old 2" water line in Shepard Road with new 6" water main from Interurban to Farmington (7,300-LF)	\$ 400,000.00
Lake Texoma Pump Station	Lake Texoma Pump Station backup generator was approved by Council Vote and put on delay to coordinate with NTMWD. In an effort to mitigate delays for lead time issues (70 + weeks) we would like to put bids out for material procurement for the generator and switchgear. Eng File 1509-U	\$ 400,000.00
Sherman	Application of USEPA and TCEQ Lead and Copper Rule Revision (LCRR) and sampling and reporting program, phases 3 through 6.	\$ 270,000.00
Heritage Ranch	Installation of a collection system sewer line for Heritage Ranch Development.	\$ 400,000.00
East Side Lift Station	Replace / Rehabilitate East Side Lift Station, pumps, electrical, generator, complete (Engineering)	\$ 750,000.00
Post Oak WWTP Upgrades	Critical upgrade to the North WWTP to meet current demands; upgrade WWTP from 10 MGD (ADF) to 14 MGD (ADF) - AB, BC, PC, Demo TFs	\$ 250,000.00
South WWTP Upgrade	South WWTP Phase 1 B 4MGD Expansion This project is for a major piece of wastewater treatment component that will treat industrial waste. Until the "treatability study" is completed, the treatment capacity is unknown. It will be needed in the immediate time frame. (Design Engineering)	\$ 5,600,000.00
Post Oak WWTP	As recommended in the WWTP Condition Assessment, Clarifier #3 is aging and in need of rehabilitation to remain in service.	\$ 120,000.00
Post Oak WWTP	As recommended by the WWTP Condition Assessment regarding electrical improvements, NFPA upgrades are needed for the grit building to ensure operator safety and continued operation.	\$ 330,000.00
WTP Facility Upgrades to building	Replacement of new doors and windows to existing building; upgrade HVAC system, Remodel Kitchen break room	\$ 320,000.00
Groundwater Deep well pump/motor replacement	Conversion from below ground pump / motor in wells to above ground motor vertical turbine downhole pumping	\$ 400,000.00

Project	Description	Capitol Cost
Luella 4T Groundwater Well Site	Convert Luella 4T groundwater well from Vertical Turbine to Submersible Pump (addresses landowner complaint)	\$ 400,000.00
WTP Chemical Room	Replace chemical room control panel - old panel is deteriorated by 30-years corrosion	\$ 250,000.00
Choctaw Creek Wastewater Interceptor - TI & OB Groner	Wastewater Master Plan #20 - Installation of new 18" line along Choctaw Creek - Design in 2025 and Construction in 2026	\$ 3,000,000.00
Sherman Street	Project: Sherman Street Utilities - Project to replace; approximately 800-lf of vitrified clay wastewater pipe, services, and manholes along with replacing and upgrading approximately 430-lf of water line between Montgomery St and East St.	\$ 320,000.00
Program Management Services	14-month Continuation existing services	\$ 7,200,000.00
Post Oak WWTP (South)	Contingency Allowance for Phase 1A (\$42-\$50M)	\$ 57,000,000.00
	Total	\$ 82,260,000.00

Preliminary

Greater Texoma Utility Authority

\$98,490,000 Contract Revenue Bonds, Series 2024A

(City of Sherman Project)

As of 6/7/24 for Purposes of Illustration Only

Net Debt Service Schedule

Part 1 of 4

Date	Principal	Coupon	Interest	Total P+I	DSR	CIF	Net New D/S	Fiscal Total
10/01/2024	-	-	-	-	-	-	-	-
04/01/2025	-	-	2,462,250.00	2,462,250.00	-	(2,462,250.00)	-	-
10/01/2025	-	-	2,462,250.00	2,462,250.00	-	(2,462,250.00)	-	-
04/01/2026	-	-	2,462,250.00	2,462,250.00	-	(2,462,250.00)	-	-
10/01/2026	-	-	2,462,250.00	2,462,250.00	-	-	2,462,250.00	-
04/01/2027	-	-	2,462,250.00	2,462,250.00	-	-	2,462,250.00	-
09/30/2027	-	-	-	-	-	-	-	4,924,500.00
10/01/2027	855,000.00	5.000%	2,462,250.00	3,317,250.00	-	-	3,317,250.00	-
04/01/2028	-	-	2,440,875.00	2,440,875.00	-	-	2,440,875.00	-
09/30/2028	-	-	-	-	-	-	-	5,758,125.00
10/01/2028	1,750,000.00	5.000%	2,440,875.00	4,190,875.00	-	-	4,190,875.00	-
04/01/2029	-	-	2,397,125.00	2,397,125.00	-	-	2,397,125.00	-
09/30/2029	-	-	-	-	-	-	-	6,588,000.00
10/01/2029	1,840,000.00	5.000%	2,397,125.00	4,237,125.00	-	-	4,237,125.00	-
04/01/2030	-	-	2,351,125.00	2,351,125.00	-	-	2,351,125.00	-
09/30/2030	-	-	-	-	-	-	-	6,588,250.00
10/01/2030	1,935,000.00	5.000%	2,351,125.00	4,286,125.00	-	-	4,286,125.00	-
04/01/2031	-	-	2,302,750.00	2,302,750.00	-	-	2,302,750.00	-
09/30/2031	-	-	-	-	-	-	-	6,588,875.00
10/01/2031	2,035,000.00	5.000%	2,302,750.00	4,337,750.00	-	-	4,337,750.00	-
04/01/2032	-	-	2,251,875.00	2,251,875.00	-	-	2,251,875.00	-
09/30/2032	-	-	-	-	-	-	-	6,589,625.00
10/01/2032	2,140,000.00	5.000%	2,251,875.00	4,391,875.00	-	-	4,391,875.00	-
04/01/2033	-	-	2,198,375.00	2,198,375.00	-	-	2,198,375.00	-
09/30/2033	-	-	-	-	-	-	-	6,590,250.00

2024A \$82.26mm PCF Contra | SINGLE PURPOSE | 6/13/2024 | 1:30 PM

Preliminary

Greater Texoma Utility Authority

\$98,490,000 Contract Revenue Bonds, Series 2024A

(City of Sherman Project)

As of 6/7/24 for Purposes of Illustration Only

Net Debt Service Schedule

Part 2 of 4

Date	Principal	Coupon	Interest	Total P+I	DSR	CIF	Net New D/S	Fiscal Total
10/01/2033	2,250,000.00	5.000%	2,198,375.00	4,448,375.00	-	-	4,448,375.00	-
04/01/2034	-	-	2,142,125.00	2,142,125.00	-	-	2,142,125.00	-
09/30/2034	-	-	-	-	-	-	-	6,590,500.00
10/01/2034	2,365,000.00	5.000%	2,142,125.00	4,507,125.00	-	-	4,507,125.00	-
04/01/2035	-	-	2,083,000.00	2,083,000.00	-	-	2,083,000.00	-
09/30/2035	-	-	-	-	-	-	-	6,590,125.00
10/01/2035	2,485,000.00	5.000%	2,083,000.00	4,568,000.00	-	-	4,568,000.00	-
04/01/2036	-	-	2,020,875.00	2,020,875.00	-	-	2,020,875.00	-
09/30/2036	-	-	-	-	-	-	-	6,588,875.00
10/01/2036	2,615,000.00	5.000%	2,020,875.00	4,635,875.00	-	-	4,635,875.00	-
04/01/2037	-	-	1,955,500.00	1,955,500.00	-	-	1,955,500.00	-
09/30/2037	-	-	-	-	-	-	-	6,591,375.00
10/01/2037	2,745,000.00	5.000%	1,955,500.00	4,700,500.00	-	-	4,700,500.00	-
04/01/2038	-	-	1,886,875.00	1,886,875.00	-	-	1,886,875.00	-
09/30/2038	-	-	-	-	-	-	-	6,587,375.00
10/01/2038	2,890,000.00	5.000%	1,886,875.00	4,776,875.00	-	-	4,776,875.00	-
04/01/2039	-	-	1,814,625.00	1,814,625.00	-	-	1,814,625.00	-
09/30/2039	-	-	-	-	-	-	-	6,591,500.00
10/01/2039	3,035,000.00	5.000%	1,814,625.00	4,849,625.00	-	-	4,849,625.00	-
04/01/2040	-	-	1,738,750.00	1,738,750.00	-	-	1,738,750.00	-
09/30/2040	-	-	-	-	-	-	-	6,588,375.00
10/01/2040	3,190,000.00	5.000%	1,738,750.00	4,928,750.00	-	-	4,928,750.00	-
04/01/2041	-	-	1,659,000.00	1,659,000.00	-	-	1,659,000.00	-
09/30/2041	-	-	-	-	-	-	-	6,587,750.00
10/01/2041	3,355,000.00	5.000%	1,659,000.00	5,014,000.00	-	-	5,014,000.00	-

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Preliminary

Greater Texoma Utility Authority

\$98,490,000 Contract Revenue Bonds, Series 2024A

(City of Sherman Project)

As of 6/7/24 for Purposes of Illustration Only

Net Debt Service Schedule

Part 3 of 4

Date	Principal	Coupon	Interest	Total P+i	DSR	CIF	Net New D/S	Fiscal Total
04/01/2042	-	-	1,575,125.00	1,575,125.00	-	-	1,575,125.00	-
09/30/2042	-	-	-	-	-	-	-	6,589,125.00
10/01/2042	3,530,000.00	5.000%	1,575,125.00	5,105,125.00	-	-	5,105,125.00	-
04/01/2043	-	-	1,486,875.00	1,486,875.00	-	-	1,486,875.00	-
09/30/2043	-	-	-	-	-	-	-	6,592,000.00
10/01/2043	3,710,000.00	5.000%	1,486,875.00	5,196,875.00	-	-	5,196,875.00	-
04/01/2044	-	-	1,394,125.00	1,394,125.00	-	-	1,394,125.00	-
09/30/2044	-	-	-	-	-	-	-	6,591,000.00
10/01/2044	3,900,000.00	5.000%	1,394,125.00	5,294,125.00	-	-	5,294,125.00	-
04/01/2045	-	-	1,296,625.00	1,296,625.00	-	-	1,296,625.00	-
09/30/2045	-	-	-	-	-	-	-	6,590,750.00
10/01/2045	4,100,000.00	5.000%	1,296,625.00	5,396,625.00	-	-	5,396,625.00	-
04/01/2046	-	-	1,194,125.00	1,194,125.00	-	-	1,194,125.00	-
09/30/2046	-	-	-	-	-	-	-	6,590,750.00
10/01/2046	4,310,000.00	5.000%	1,194,125.00	5,504,125.00	-	-	5,504,125.00	-
04/01/2047	-	-	1,086,375.00	1,086,375.00	-	-	1,086,375.00	-
09/30/2047	-	-	-	-	-	-	-	6,590,500.00
10/01/2047	4,530,000.00	5.000%	1,086,375.00	5,616,375.00	-	-	5,616,375.00	-
04/01/2048	-	-	973,125.00	973,125.00	-	-	973,125.00	-
09/30/2048	-	-	-	-	-	-	-	6,589,500.00
10/01/2048	4,760,000.00	5.000%	973,125.00	5,733,125.00	-	-	5,733,125.00	-
04/01/2049	-	-	854,125.00	854,125.00	-	-	854,125.00	-
09/30/2049	-	-	-	-	-	-	-	6,587,250.00
10/01/2049	5,005,000.00	5.000%	854,125.00	5,859,125.00	-	-	5,859,125.00	-
04/01/2050	-	-	729,000.00	729,000.00	-	-	729,000.00	-

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Preliminary

Greater Texoma Utility Authority

\$98,490,000 Contract Revenue Bonds, Series 2024A

(City of Sherman Project)

As of 6/7/24 for Purposes of Illustration Only

Net Debt Service Schedule

Part 4 of 4

Date	Principal	Coupon	Interest	Total P+I	DSR	CIF	Net New D/S	Fiscal Total
09/30/2050	-	-	-	-	-	-	-	6,588,125.00
10/01/2050	5,265,000.00	5.000%	729,000.00	5,994,000.00	-	-	5,994,000.00	-
04/01/2051	-	-	597,375.00	597,375.00	-	-	597,375.00	-
09/30/2051	-	-	-	-	-	-	-	6,591,375.00
10/01/2051	5,535,000.00	5.000%	597,375.00	6,132,375.00	-	-	6,132,375.00	-
04/01/2052	-	-	459,000.00	459,000.00	-	-	459,000.00	-
09/30/2052	-	-	-	-	-	-	-	6,591,375.00
10/01/2052	5,815,000.00	5.000%	459,000.00	6,274,000.00	-	-	6,274,000.00	-
04/01/2053	-	-	313,625.00	313,625.00	-	-	313,625.00	-
09/30/2053	-	-	-	-	-	-	-	6,587,625.00
10/01/2053	6,115,000.00	5.000%	313,625.00	6,428,625.00	-	-	6,428,625.00	-
04/01/2054	-	-	160,750.00	160,750.00	-	-	160,750.00	-
09/30/2054	-	-	-	-	-	-	-	6,589,375.00
10/01/2054	6,430,000.00	5.000%	160,750.00	6,590,750.00	(7,242,605.74)	-	(651,855.74)	-
09/30/2055	-	-	-	-	-	-	-	(651,855.74)
Total	\$98,490,000.00	-	\$97,499,750.00	\$195,989,750.00	(7,242,605.74)	(7,386,750.00)	\$181,360,394.26	-

2024A \$82.26mm PCF Contra | SINGLE PURPOSE | 6/13/2024 | 1:30 PM

A RESOLUTION by the Board of Directors of the Greater Texoma Utility Authority authorizing the issuance of "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2024A (City of Sherman Project)"; pledging the Pledged Revenue to the payment of the principal of and interest on said Bonds; delegating matters relating to the issuance, sale, and delivery of said Bonds to authorized Authority officials; and resolving other matters incident and related thereto

WHEREAS, the Board of Directors of the Greater Texoma Utility Authority (the "Authority") has determined that Bonds should be authorized at this time to provide funding for the Series 2024A Project more fully described in Section 1 hereof; and

WHEREAS, the Authority shall by this Resolution, in accordance with the provisions of Chapter 1371, Texas Government Code, as amended, delegate to a Pricing Officer (hereafter designated) the authority to determine the principal amount of Bonds to be issued and negotiate the terms of sale thereof; and

WHEREAS, the Board of Directors of the Authority has determined that the Bonds herein authorized may and shall be issued as Additional Bonds (herein defined) on a parity with the Outstanding Previously Issued Bonds (herein defined) in that:

(a) The Authority is not now in default as to any covenant, condition or obligation contained in the Contract (as hereinafter defined) and the resolutions authorizing the issuance of Outstanding Previously Issued Bonds;

(b) The City of Sherman, Texas, will approve the resolution authorizing the issuance of the Bonds as to form and content and will acknowledge that payment of principal and interest on the Bonds will be made, in whole or in part, by the City of Sherman, Texas, under and pursuant to the Contract;

(c) A consulting engineer will certify to the Authority the need for an estimated amount of additional financing required for completion, expansion, enlargement or improvement of the Project (herein defined);

(d) The Bonds herein authorized shall mature on April 1 and/or October 1 in each of the years in which they are scheduled to mature as provided in the Pricing Certificate;

(e) As provided herein, deposits to the Bond Fund will be sufficient to pay principal of and interest on the Bonds herein authorized as the same become due;

(f) As provided herein, the amount to be accumulated and maintained in the Reserve Fund will be in an amount equal to not less than the average annual requirement (calculated on a Fiscal Year basis) of all Outstanding Bonds Similarly Secured as of the date of the last series of Bonds Similarly Secured after giving effect to the issuance of the Bonds for the payment of principal of and interest on all obligations to be secured by a first lien on and pledge of the Pledged Revenues, and any additional amount to be maintained in the Reserve Fund shall be accumulated within not more than 60 months from the date of the passage of this Resolution; and;

(g) The Authority will demonstrate to the Texas Water Development Board's Executive Administrator that the Pledged Revenues will be sufficient to pay the Previously Issued Bonds and the Bonds;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE GREATER TEXOMA UTILITY AUTHORITY:

SECTION 1: Authorization - Designation - Principal Amount – Purpose – Bond Date. Revenue bonds of the Authority shall be and are hereby authorized to be issued in the maximum aggregate principal amount hereinafter set forth to be designated and bear the title "GREATER TEXOMA UTILITY AUTHORITY CONTRACT REVENUE BONDS, SERIES 2024A (CITY OF SHERMAN PROJECT)" (herein referred to as the "Bonds"), for the construction, acquisition, and improvement of water and sewer system facilities and necessary appurtenances for use by the City of Sherman, Texas (the "City"), and the acquisition of land and rights-of-way necessary therefor or incidental thereto, and for the purpose of funding the portion of the Required Reserve Fund Amount attributable to the Bonds and the payment of all costs incident and related to the acquisition and financing thereof, and the purpose of funding the portion of the Required Reserve Fund Amount attributable to the Bonds, pursuant to authority conferred by and in conformity with the Constitution and the laws of the State of Texas, including Texas Special District Local Laws Code, Chapter 8283 and Chapter 1371, Texas Government Code, as amended. The Bonds shall be dated (the "Bond Date") as provided in the Pricing Certificate.

SECTION 2: Fully Registered Obligations - Terms. The Bonds shall be issued as fully registered obligations, without coupons, and the Bonds (other than the Initial Bond(s) referenced in Section 8 hereof) shall be in denominations of \$5,000 or any integral multiple (within a Stated Maturity) thereof, shall be lettered "R" and numbered consecutively from One (1) upward and principal shall become due and payable on a date certain in each of the years and in amounts (the "Stated Maturities") and bear interest at the rate(s) per annum in accordance with the details of the Bonds as set forth in the Pricing Certificate.

The Bonds shall bear interest on the unpaid principal amounts from the date specified in the Pricing Certificate at the rate(s) per annum shown in the Pricing Certificate (calculated on the basis of a 360-day year consisting of twelve 30-day months). Interest on the Bonds shall be payable in each year, on the dates, and commencing on the date, set forth in the Pricing Certificate.

SECTION 3: Delegation of Authority to Pricing Officer.

(a) As authorized by Texas Government Code, Chapter 1371, as amended, the General Manager or President of the Board of Directors (either the "Pricing Officer") is hereby authorized to act on behalf of the Authority in selling and delivering the Bonds and carrying out the other procedures specified in this Resolution, including, determining the aggregate original principal amount of the Bonds, the date of the Bonds, any additional or different designation or title by which the Bonds shall be known, the price at which the Bonds will be sold, the manner of sale (negotiated, privately placed or competitively bid), the years in which the Bonds will mature, the principal amount to mature in each of such years, the rate of interest to be borne by each such maturity, the interest payment dates, the price and terms upon and at which the Bonds shall be subject to redemption prior to maturity at the option of the Authority, as well as any mandatory sinking fund redemption provisions, the designation of a Paying Agent/Registrar, and all other matters relating to the issuance, sale, and delivery of the Bonds, including any modification of the

Rule 15c2-12 continuing disclosure undertaking contained in Section 39 hereof, all of which shall be specified in the Pricing Certificate; provided that:

- (i) the aggregate original principal amount of the Bonds shall not exceed \$99,500,000;
- (ii) the true interest cost rate for the Bonds shall not exceed the highest rate permitted by law; and
- (iii) the maximum maturity date of the Bonds shall be October 1, 2054.

The execution of the Pricing Certificate shall evidence the sale date of the Bonds by the Authority to the Purchasers (hereinafter defined).

(b) The delegation made hereby shall expire if not exercised by the Pricing Officer on or prior to 365 days from the date hereof.

SECTION 4: Terms of Payment - Paying Agent/Registrar. The principal of, premium, if any, and the interest on the Bonds, due and payable by reason of maturity, redemption or otherwise, shall be payable only to the registered owners or holders of the Bonds (hereinafter called the "Holders") appearing on the registration and transfer books (the "Security Register") maintained by the Paying Agent/Registrar, and the payment thereof shall be in any coin or currency of the United States of America, which at the time of payment is legal tender for the payment of public and private debts, and shall be without exchange or collection charges to the Holders.

The selection and appointment of the Paying Agent/Registrar for the Bonds shall be as provided in the Pricing Certificate. Books and records relating to the registration, payment, exchange and transfer of the Bonds (the "Security Register") shall at all times be kept and maintained on behalf of the Authority by the Paying Agent/Registrar, all as provided herein, in accordance with the terms and provisions of a "Paying Agent/Registrar Agreement," substantially in the form attached hereto as Exhibit A and such reasonable rules and regulations as the Paying Agent/Registrar and the Authority may prescribe. The Pricing Officer is hereby authorized to execute and deliver such Paying Agent/Registrar Agreement in connection with the delivery of the Bonds. The Authority covenants to maintain and provide a Paying Agent/Registrar at all times until the Bonds are paid and discharged, and any successor Paying Agent/Registrar shall be a commercial bank, trust company, financial institution, or other entity qualified and authorized to serve in such capacity and perform the duties and services of Paying Agent/Registrar. Upon any change in the Paying Agent/Registrar for the Bonds, the Authority agrees to promptly cause a written notice thereof to be sent to each Holder by United States Mail, first class postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

Principal of and premium, if any, on the Bonds shall be payable at the Stated Maturities or the redemption thereof, only upon presentation and surrender of the Bonds to the Paying Agent/Registrar at its designated office specified in the Pricing Certificate or such other office as shall be designated from time to time by the Paying Agent/Registrar, or its successors (the "Designated Payment/Transfer Office"). Interest on each Bond shall be paid to the Holder whose name appears in the Security Register at the close of business on the Record Date (the fifteenth (15th) day of the month next preceding each interest payment date) and shall be paid by the Paying Agent/Registrar (i) by check sent United States mail, first class postage prepaid, to the

address of the Holder recorded in the Security Register, or (ii) by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Holder. If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the city where the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

In the event of a nonpayment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Authority. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each Holder appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

SECTION 5: Registration - Transfer - Exchange of Bonds - Predecessor Bonds. A Security Register relating to the registration, payment, and transfer or exchange of the Bonds shall at all times be kept and maintained by the Authority at the Designated Payment/Transfer Office of the Paying Agent/Registrar, and also at a location within the State of Texas, as provided herein and in accordance with rules and regulations as the Paying Agent/Registrar and the Authority may prescribe. The Paying Agent/Registrar shall obtain, record, and maintain in the Security Register the name and address of each and every owner of the Bonds issued under and pursuant to the provisions of this Resolution, or if appropriate, the nominee thereof. Any Bond may be transferred or exchanged for Bonds of other authorized denominations by the Holder, in person or by his duly authorized agent, upon surrender of such Bond to the Paying Agent/Registrar for cancellation, accompanied by a written instrument of transfer or request for exchange duly executed by the Holder or by his duly authorized agent, in form satisfactory to the Paying Agent/Registrar.

Upon surrender of any Bond (other than the Initial Bond(s) authorized in Section 8 hereof) for transfer at the Designated Payment/Transfer Office of the Paying Agent/Registrar, the Paying Agent/Registrar shall register and deliver, in the name of the designated transferee or transferees, one or more new Bonds of authorized denominations and having the same Stated Maturity and being of a like aggregate principal amount as the Bond or Bonds surrendered for transfer.

At the option of the Holder, Bonds (other than the Initial Bond(s) authorized in Section 8 hereof) may be exchanged for other Bonds of authorized denominations and having the same Stated Maturity, bearing the same rate of interest and being of a like aggregate principal amount as the Bonds surrendered for exchange, upon surrender of the Bonds to be exchanged at the Designated Payment/Transfer Office of the Paying Agent/Registrar. Whenever any Bonds are surrendered for exchange, the Paying Agent/Registrar shall register and deliver new Bonds to the Holder requesting the exchange.

All Bonds issued in any transfer or exchange of Bonds shall be delivered to the Holders at the Designated Payment/Transfer Office of the Paying Agent/Registrar or sent by United States mail, first class postage prepaid, to the Holders, and, upon the registration and delivery thereof, the same shall be the valid obligations of the Authority, evidencing the same obligation to pay,

and entitled to the same benefits under this Resolution, as the Bonds surrendered in such transfer or exchange.

All transfers or exchanges of Bonds pursuant to this Section shall be made without expense or service charge to the Holder, except as otherwise herein provided, and except that the Paying Agent/Registrar shall require payment by the Holder requesting such transfer or exchange of any tax or other governmental charges required to be paid with respect to such transfer or exchange.

Bonds canceled by reason of an exchange or transfer pursuant to the provisions hereof are hereby defined to be "Predecessor Bonds," evidencing all or a portion, as the case may be, of the same obligation to pay evidenced by the new Bond or Bonds registered and delivered in the exchange or transfer therefor. Additionally, the term "Predecessor Bonds" shall include any mutilated, lost, destroyed, or stolen Bond for which a replacement Bond has been issued, registered and delivered in lieu thereof pursuant to the provisions of Section 30 hereof and such new replacement Bond shall be deemed to evidence the same obligation as the mutilated, lost, destroyed, or stolen Bond.

Neither the Authority nor the Paying Agent/Registrar shall be required to issue or transfer to an assignee of a Holder any Bond called for redemption, in whole or in part, within forty-five (45) days of the date fixed for the redemption of such Bond; provided, however, such limitation on transferability shall not be applicable to an exchange by the Holder of the unredeemed balance of a Bond called for redemption in part.

SECTION 6: Book-Entry-Only Transfers and Transactions. Notwithstanding the provisions contained in this Resolution relating to the payment and transfer/exchange of the Bonds, the Authority hereby approves and authorizes the use of the "Book-Entry Only" securities clearance, settlement, and transfer system provided by The Depository Trust Company ("DTC"), a limited purpose trust company organized under the laws of the State of New York, in accordance with the operational arrangements referenced in a Blanket Issuer Letter of Representations by and between the Authority and DTC (the "Depository Agreement").

Pursuant to the Depository Agreement and the rules of DTC, the Bonds shall be deposited with DTC who shall hold said Bonds for its participants (the "DTC Participants"). While the Bonds are held by DTC under the Depository Agreement, the Holder of the Bonds on the Security Register for all purposes, including payment and notices, shall be Cede & Co., as nominee of DTC, notwithstanding the ownership of each actual purchaser or owner of each Bond (the "Beneficial Owners") being recorded in the records of DTC and DTC Participants.

In the event DTC determines to discontinue serving as securities depository for the Bonds or otherwise ceases to provide book-entry clearance and settlement of securities transactions in general, the Authority covenants and agrees with the Holders of the Bonds to cause Bonds to be printed in definitive form and provide for the Bond certificates to be issued and delivered to DTC Participants and Beneficial Owners, as the case may be. Thereafter, the Bonds in definitive form shall be assigned, transferred and exchanged on the Security Register maintained by the Paying Agent/Registrar and payment of such Bonds shall be made in accordance with the provisions of Sections 4 and 5 hereof.

SECTION 7: Execution - Registration. The Bonds shall be executed on behalf of the Authority by the President or Vice President of the Board of Directors under its seal reproduced or impressed thereon and attested by the Secretary or Assistant Secretary of the Board of

Directors. The signature of said officers on the Bonds may be manual or facsimile. Bonds bearing the manual or facsimile signatures of individuals who are or were the proper officers of the Authority on the date of the adoption of this Resolution shall be deemed to be duly executed on behalf of the Authority, notwithstanding that such individuals or either of them shall cease to hold such offices at the time of delivery of the Bonds to the initial Holders and with respect to Bonds delivered in subsequent exchanges and transfers, all as authorized and provided in the Public Security Procedures Act, Texas Chapter 1201, Government Code, as amended.

No Bond shall be entitled to any right or benefit under this Resolution, or be valid or obligatory for any purpose, unless there appears on such Bond either a certificate of registration substantially in the form provided in Section 9(c), manually executed by the Comptroller of Public Accounts of the State of Texas or his or her duly authorized agent, or a certificate of registration substantially in the form provided in Section 9(d), manually executed by an authorized officer, employee or representative of the Paying Agent/Registrar, and either such certificate upon any Bond duly signed shall be conclusive evidence, and the only evidence, that such Bond has been duly certified, registered and delivered.

SECTION 8: Initial Bond(s). The Bonds herein authorized shall be initially issued either (i) as a single fully registered bond in the aggregate principal amount of the Bonds with principal installments to become due and payable as provided in the Pricing Certificate and numbered T-1, or (ii) as multiple fully registered bonds, being one bond for each year of maturity in the applicable principal amount and denomination and to be numbered consecutively from T-1 and upward (hereinafter called the "Initial Bond(s)") and, in either case, the Initial Bond(s) shall be registered in the name of the initial purchaser(s) or the designee thereof. The Initial Bond(s) shall be the Bonds submitted to the Office of the Attorney General of the State of Texas for approval, certified and registered by the Office of the Comptroller of Public Accounts of the State of Texas, and delivered to the initial purchaser(s). Any time after the delivery of the Initial Bond(s), the Paying Agent/Registrar, pursuant to written instructions from the initial purchaser(s), or the designee thereof, shall cancel the Initial Bond(s) delivered hereunder and exchange therefor definitive Bonds of authorized denominations, Stated Maturities, principal amounts and bearing applicable interest rates for transfer and delivery to the Holders named at the addresses identified therefor; all pursuant to and in accordance with such written instructions from the initial purchaser(s), or the designee thereof, and such other information and documentation as the Paying Agent/Registrar may reasonably require.

SECTION 9: Forms.

(a) **Forms Generally.** The Bonds, the Registration Certificate of the Comptroller of Public Accounts of the State of Texas to appear on the Initial Bond(s), the Registration Certificate of Paying Agent/Registrar to appear on the definitive Bonds, and the form of Assignment to appear on each of the Bonds shall be substantially in the forms set forth in this Section with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Resolution, and the Bonds may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including insurance legends in the event the Bonds are purchased with insurance and any reproduction of an opinion of counsel) thereon as may, consistently herewith, be established by the Authority or determined by the officers executing such Bonds as evidenced by their execution. Any portion of the text of any Bond may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Bond.

The definitive Bonds and the Initial Bond(s) shall be printed, lithographed, engraved, typewritten, photocopied or otherwise reproduced in any other similar manner, all as determined by the officers executing such Bonds as evidenced by their execution thereof.

(b) Form of Definitive Bond.

REGISTERED
NO. _____

REGISTERED
\$ _____

UNITED STATES OF AMERICA
STATE OF TEXAS
COUNTIES OF GRAYSON, COLLIN, FANNIN AND COOKE
GREATER TEXOMA UTILITY AUTHORITY
CONTRACT REVENUE BONDS, SERIES 2024A
(CITY OF SHERMAN PROJECT)

Bond Date: _____ Interest Rate: _____% Stated Maturity: _____ 1, 20____ CUSIP NO. _____

Registered Owner:

Principal Amount: _____ DOLLARS

The Greater Texoma Utility Authority (hereinafter referred to as the "Authority"), for value received, hereby promises to pay to the Registered Owner named above (the "Holder") or the registered assigns thereof, solely from the revenues hereinafter identified, on the Stated Maturity date specified above, the Principal Amount hereinabove stated and to pay interest on the unpaid principal amount hereof from the interest payment date next preceding the "Registration Date" of this Bond appearing below (unless this Bond bears a "Registration Date" as of an interest payment date, in which case it shall bear interest from such date, or unless the "Registration Date" of this Bond is the delivery date of this Bond (or its Predecessor Bond) to the initial Holder, in which case it shall bear interest from the _____) at the per annum rate of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on _____, and each April 1 and October 1 thereafter until maturity or prior redemption. Principal of this Bond is payable at its Stated Maturity or date of redemption to the Holder hereof, upon presentation and surrender, at the Designated Payment/Transfer Office of _____, the Paying Agent/Registrar, or its successor. Interest is payable to the Holder of this Bond (or one or more Predecessor Bonds, as defined in the Resolution hereinafter referenced) whose name appears on the "Security Register" maintained by the Paying Agent/Registrar at the close of business on the "Record Date," which is the fifteenth (15th) day of the month next preceding each interest payment date, and interest shall be paid by the Paying Agent/Registrar by check sent United States Mail, first class postage prepaid, to the address of the Holder recorded in the Security Register or by such other method acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of the Holder. All payments of principal of, premium, if any, and interest on this Bond shall be in any coin or currency of the United States of America, which at the time of payment is legal tender for the payment of public and private debts.

If the date for payment of the principal of or interest on this Bond shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

This Bond is one of the series specified in its title issued in the aggregate principal amount of \$_____ (herein referred to as the "Bonds") for the purpose of providing funds for the construction, acquisition, and improvement of water and sewer system facilities and necessary appurtenances for use by the City of Sherman, Texas, and the acquisition of land and rights-of-way necessary therefor or incidental thereto, and for the purpose of funding the portion of the Required Reserve Fund Amount attributable to the Bonds and the payment of all costs incident and related to the acquisition and financing thereof, pursuant to authority conferred by and in conformity with the Constitution and the laws of the State of Texas, including Texas Special District Local Laws Code, Chapter 8283 and Chapter 1371, Texas Government Code, as amended, and pursuant to a Resolution adopted by the Board of Directors of the Authority (herein referred to as the "Resolution").

The Bonds maturing on and after _____, may be redeemed prior to their Stated Maturities, at the option of the Authority, in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof (and if within a Stated Maturity selected by lot by the Paying Agent/Registrar) on _____, or on any date thereafter, at the redemption price of par, together with accrued interest to the date of redemption.

Not fewer than thirty (30) days prior to a redemption date for the Bonds, a notice of redemption shall be sent by United States Mail, first class postage prepaid, in the name of the Authority and at the Authority's expense, to each Registered Owner of a Bond to be redeemed and subject to the terms and provisions relating thereto contained in the Resolution. If this Bond (or any portion of the principal sum hereof) shall have been duly called for redemption and notice of such redemption duly given, then upon such redemption date this Bond (or the portion of the principal sum hereof to be redeemed) shall become due and payable, and, if moneys for the payment of the redemption price and the interest accrued on the principal amount to be redeemed to the date of redemption are held for the purpose of such payment by the Paying Agent/Registrar, interest shall cease to accrue and be payable hereon from and after the redemption date on the principal amount hereof to be redeemed.

In the event of a partial redemption of the principal amount of this Bond, payment of the redemption price of such principal amount shall be made to the Holder only upon presentation and surrender of this Bond to the Paying Agent/Registrar at the Designated Payment/Transfer Office, and there shall be issued, without charge therefor to the Holder hereof, a new Bond or Bonds of like maturity and interest rate in any authorized denominations provided by the Resolution for the then unredeemed balance of the principal sum hereof. If this Bond is selected for redemption, in whole or in part, the Authority and the Paying Agent/Registrar shall not be required to transfer this Bond to an assignee of the Holder within forty-five (45) days of the redemption date therefor; provided, however, such limitation on transferability shall not be applicable to an exchange by the Holder of the unredeemed balance hereof in the event of its redemption in part.

With respect to any optional redemption of the Bonds, unless certain prerequisites to such redemption required by the Resolution have been met and moneys sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice may state that said redemption is conditional upon the satisfaction of such prerequisites and receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption. If a conditional notice of redemption is given and such prerequisites to the redemption are not satisfied or sufficient moneys are not received, such notice shall be of no force and effect, the Authority shall not redeem such Bonds and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

The Bonds constitute special obligations of the Authority, and, together with the outstanding Previously Issued Bonds and any Additional Bonds, if issued, are payable as to principal and interest solely from and equally secured by a first lien on the Pledged Revenue of the Authority (identified and defined in the Resolution, and including revenues to be received under and pursuant to a Contract For Water Supply and Sewer Service between the Authority and the City of Sherman, Texas, dated as of March 1, 1985, together with all amendments thereto). Reference is hereby made to the Resolution, copies of which are on file in the Designated Payment/Transfer Office of the Paying Agent/Registrar, and to all of the provisions of which the Holder by his acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the revenues pledged for the payment of the Bonds; the terms and conditions relating to the transfer or exchange of this Bond; the conditions upon which the Resolution may be amended or supplemented with or without the consent of the Holders; the rights, duties, and obligations of the Authority and the Paying Agent/Registrar; the terms and provisions upon which this Bond may be discharged at or prior to its maturity, and deemed to be no longer Outstanding thereunder; and for the other terms and provisions thereof. Capitalized terms used herein have the same meanings assigned in the Resolution.

The Authority expressly reserves the right to issue further and additional revenue bond obligations in all things on a parity with the Bonds and the Previously Issued Bonds, payable solely from and equally secured by a first lien on the Pledged Revenue described above; provided, however, that any and all such Additional Bonds may be so issued only in accordance with and subject to the covenants, conditions, limitations and restrictions relating thereto which are set out and contained in the Resolution, to which reference is hereby made for more complete and full particulars.

The Holder hereof shall never have the right to demand payment of this obligation out of any funds raised or to be raised by taxation.

This Bond, subject to certain limitations contained in the Resolution, may be transferred on the Security Register only upon its presentation and surrender at the Designated Payment/Transfer Office of the Paying Agent/Registrar, with the Assignment hereon duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Paying Agent/Registrar duly executed by, the Holder hereof, or his duly authorized agent. When a transfer on the Security Register occurs, one or more new fully registered Bonds of the same Stated Maturity, of authorized denominations, bearing the same rate of interest, and of the same aggregate principal amount will be issued by the Paying Agent/Registrar to the designated transferee or transferees.

The Authority and the Paying Agent/Registrar, and any agent of either, shall treat the Holder whose name appears on the Security Register (i) on the Record Date as the owner entitled to payment of interest hereon, (ii) on the date of surrender of this Bond as the owner entitled to payment of principal hereof at its Stated Maturity or its redemption in whole or in part, and (iii) on any other date as the owner for all other purposes, and neither the Authority nor the Paying Agent/Registrar, or any agent of either, shall be affected by notice to the contrary. In the event of nonpayment of interest on a scheduled payment date and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Authority. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each Holder appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

It is hereby certified, covenanted, and represented that all acts, conditions, and things required to be performed, exist, and be done precedent to or in the issuance of this Bond in order to render the same a legal, valid and binding obligation of the Authority have been performed, exist, and have been done, in regular and due time, form, and manner, as required by law, and that the issuance of the Bonds does not exceed any constitutional or statutory limitation. In case any provision in this Bond or any application thereof shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions and applications shall not in any way be affected or impaired thereby. The terms and provisions of this Bond and the Resolution shall be construed in accordance with and shall be governed by the laws of the State of Texas.

IN WITNESS WHEREOF, the Board of Directors of the Authority has caused this Bond to be duly executed under the official seal of the Authority.

GREATER TEXOMA UTILITY AUTHORITY

President, Board of Directors

ATTEST:

Secretary, Board of Directors

(SEAL)

(c) Form of Registration Certificate of Comptroller of Public Accounts to appear on Initial Bond(s) only.

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER (
OF PUBLIC ACCOUNTS (
THE STATE OF TEXAS (REGISTER NO. _____
(

I HEREBY CERTIFY that this Bond has been examined, certified as to validity and approved by the Attorney General of the State of Texas, and duly registered by the Comptroller of Public Accounts of the State of Texas.

WITNESS my signature and seal of office this _____.

Comptroller of Public Accounts
of the State of Texas

(SEAL)

(d) Form of Certificate of Paying Agent/Registrar to appear on the definitive Bonds.

CERTIFICATE OF PAYING AGENT/REGISTRAR

This Bond has been duly issued under the provisions of the within-mentioned Resolution; the bond or bonds of the above entitled and designated series originally delivered having been approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts, as shown by the records of the Paying Agent/Registrar.

The principal office of the Paying Agent/Registrar in _____ is the "Designated Payment/Transfer Office" for this Bond.

_____,
as Paying Agent/Registrar

Registration Date:

By: _____
Authorized Signature

(e) Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns, and transfers unto
(Print or typewrite name, address, and zip code of 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: _____

Signature guaranteed:

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.

(f) The Initial Bond(s) shall be in the form set forth in paragraph (b) of this Section,
except that the form of a single fully registered Initial Bond shall be modified as follows:

REGISTERED
NO. T-1

REGISTERED
\$ _____

UNITED STATES OF AMERICA
STATE OF TEXAS
COUNTIES OF COOKE, FANNIN, GRAYSON AND COLLIN
GREATER TEXOMA UTILITY AUTHORITY
CONTRACT REVENUE BONDS, SERIES 2024A
(CITY OF SHERMAN PROJECT)

Bond Date: _____

Registered Owner:

Principal Amount:

The Greater Texoma Utility Authority (hereinafter referred to as the "Authority"), for value
received, hereby promises to pay to the Registered Owner named above (the "Holder") or the
registered assigns thereof, solely from the revenues hereinafter identified, on _____ in each
of the years and in principal amounts and bearing interest at per annum rates in accordance with
the following schedule:

<u>YEAR</u>	<u>PRINCIPAL INSTALLMENTS</u>	<u>INTEREST RATE</u>
-------------	-----------------------------------	--------------------------

(Information to be inserted from schedule in the Pricing Certificate)

(or so much thereof as shall not have been paid upon prior redemption) and to pay interest on the unpaid principal amount hereof from the interest payment date next preceding the "Registration Date" of this Bond appearing below (unless this Bond bears a "Registration Date" as of an interest payment date, in which case it shall bear interest from such date, or unless the "Registration Date" of this Bond is the delivery date of this Bond (or its Predecessor Bond) to the initial Holder, in which case it shall bear interest from the _____) at the per annum rates of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on _____, and each April 1 and October 1 thereafter until maturity or prior redemption. Principal of this Bond is payable at its Stated Maturity or redemption to the Holder hereof by _____ (the "Paying Agent/Registrar"), upon presentation and surrender, at its designated offices in _____ (the "Designated Payment/Transfer Office"), or its successor. Interest is payable to the Holder of this Bond (or one or more Predecessor Bonds, as defined in the Resolution hereinafter referenced) whose name appears on the "Security Register" maintained by the Paying Agent/Registrar at the close of business on the "Record Date," which is the fifteenth (15th) day of the month next preceding each interest payment date, and interest shall be paid by the Paying Agent/Registrar by check sent United States Mail, first class postage prepaid, to the address of the registered owner recorded in the Security Register or by such other method acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of the Holder. All payments of principal of, premium, if any, and interest on this Bond shall be in any coin or currency of the United States of America, which at the time of payment is legal tender for the payment of public and private debts.

SECTION 10: Certain Definitions. In addition to terms defined elsewhere in this Resolution, for all purposes of this Resolution and in particular for clarity with respect to the issuance of the Bonds and the pledge and appropriation of the Pledged Revenue therefor, the following definitions are provided:

(a) The term "Additional Bonds" shall mean parity revenue bonds issued in accordance with the terms and conditions prescribed in Section 19 hereof.

(b) The term "Authorized Investments" shall mean the obligations identified in the "Public Funds Investment Act" (Texas Government Code, Chapter 2256), as amended.

(c) The term "Bonds" shall mean the "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2024A (City of Sherman Project)" authorized by this Resolution.

(d) The term "Bonds Similarly Secured" shall mean the Bonds, the Previously Issued Bonds, and Additional Bonds.

(e) The term "Contract" or "Contract for Water Supply and Sewer Service" shall mean that certain contract, dated as of the 1st day of March, 1985, by and between the Authority and the City of Sherman, Texas, together with amendments and supplements thereto (which by the term of such instrument is designated as a supplement to such Contract), a conformed copy of such Contract being attached hereto as Exhibit B for the purposes of identification only.

(f) The term "Cost of the Project" shall have the meaning assigned such term in Section 1.01 of the Contract.

(g) The term "Fiscal Year" shall mean the twelve month operational period of the Authority commencing October 1 of each year; provided, however, the Authority may change the fiscal year to another period of not less than twelve (12) calendar months but in no event may the fiscal year be changed more than one time in any three calendar year period.

(h) The term "Government Obligations" as used herein, unless otherwise provided in the Pricing Certificate, means (i) direct noncallable obligations of the United States of America, including obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, (ii) noncallable obligations of an agency or instrumentality of the United States, including obligations unconditionally guaranteed or insured by the agency or instrumentality and, on the date of their acquisition or purchase by the Authority, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, (iii) noncallable obligations of a state or an agency or a county, municipality or other political subdivision of a state that have been refunded and that, on the date of their acquisition or purchase by the Authority, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent and (iv) any other authorized securities or obligations under applicable laws of the State of Texas that may be used to defease obligations such as the Bonds.

(i) The term "Maintenance and Operation Expense of the Project" shall have the meaning assigned such term in Section 1.01 of the Contract.

(j) The term "Outstanding" shall mean when used in this Resolution with respect to Bonds or Bonds Similarly Secured, as of the date of determination, all Bonds or Bonds Similarly Secured theretofore issued and delivered, except:

(i) those Bonds or Bonds Similarly Secured canceled by the Paying Agent/Registrar or delivered to the Paying Agent/Registrar for cancellation;

(ii) those Bonds or Bonds Similarly Secured paid or deemed to be paid in accordance with the provisions of Section 27 hereof; and

(iii) those Bonds or Bonds Similarly Secured that have been mutilated, destroyed, lost, or stolen and replacement Bonds have been registered and delivered in lieu thereof as provided in Section 30 hereof or similar provisions with respect to Bonds Similarly Secured.

(k) The term "Pledged Revenue" shall mean (i) the amount received by the Authority as monthly amortization payments by reason of Section 3.01 (a) of the Contract, less the fees and charges of the Paying Agent/Registrar with respect to Bonds Similarly Secured, plus (ii) the amounts deposited into the Bond Fund reaffirmed by Section 12(b) of this Resolution, and the Reserve Fund reaffirmed by Section 12(c) of this Resolution; plus (iii) any amounts on deposit in any construction fund, created and established by a resolution authorizing the issuance of the Bonds or Bonds Similarly Secured, pending the application of such money for the payment of the Cost of a Project.

(l) The term "Previously Issued Bonds" shall mean the Outstanding (1) "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2006 (City of Sherman Project)," (2) "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2013A (City of Sherman Project)," (3) "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2014 (City of Sherman Project)," (4) "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2015

(City of Sherman Project)," (5) "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2015A (City of Sherman Project)," (6) "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2015B (City of Sherman Project)," (7) "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2017 (City of Sherman Project)," (8) "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2017A (City of Sherman Project)," (9) "Greater Texoma Utility Authority Contract Revenue and Refunding Bonds, Series 2019 (City of Sherman Project)," (10) "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2019A (City of Sherman Project)," (11) "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2020 (City of Sherman Project)," (12) "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2021 (City of Sherman Project)," (13) "Greater Texoma Utility Authority Contract Revenue Refunding Bonds, Series 2021 (City of Sherman Project)," (14) "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2022 (City of Sherman Project)," (15) "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2023 (City of Sherman Project)," (16) "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2023A (City of Sherman Project) and (17) "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2024 (City of Sherman Project) heretofore issued which are in every respect on a parity with the Bonds.

(m) The term "Project" shall mean, with respect to the Bonds Similarly Secured, collectively, the projects described as such in the resolutions of the Authority that have from time to time authorized the issuance of Bonds Similarly Secured by the Authority for the financing of such projects.

(n) The term "Series 2024A Project" shall mean, with respect to the Bonds, the project described in Section 1 hereof.

SECTION 11: Pledge. The Authority hereby covenants and agrees that all of the Pledged Revenue is hereby irrevocably pledged for the payment of the Bonds Similarly Secured, and the interest thereon, and it is hereby declared and resolved that the Bonds Similarly Secured and the interest thereon shall constitute a first lien upon said Pledged Revenue.

Texas Government Code, Chapter 1208, as amended, applies to the issuance of the Bonds Similarly Secured and the pledge of the Pledged Revenue granted by the Authority under this Section of this Resolution, and such pledge is therefore valid, effective, and perfected. If Texas law is amended at any time while the Bonds are Outstanding and unpaid such that the pledge of the Pledged Revenue granted by the Authority under this Section of this Resolution is to be subject to the filing requirements of Texas Business & Commerce Code, Chapter 9, as amended, then in order to preserve to the registered owners of the Bonds the perfection of the security interest in said Pledged Revenue, the Authority agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Texas Business & Commerce Code, Chapter 9, as amended, and enable a filing to perfect the security interest in said Pledged Revenue to occur.

SECTION 12: Fund Designations. The Authority hereby covenants and agrees with the Holders of the Bonds Similarly Secured that all income, receipts and revenues derived from the operation and ownership of the Project shall be kept separate from other funds or accounts of the Authority. To that end, the following special Funds (herein so called) were created and established by a resolution authorizing Previously Issued Bonds and shall exist and govern the application of the Pledged Revenue while the Bonds Similarly Secured are Outstanding, to wit:

(a) Greater Texoma Utility Authority Revenue Fund, hereinafter called the "Revenue Fund." This Fund shall be kept in a depository of the Authority.

(b) Greater Texoma Utility Authority Bond Interest and Sinking Fund, hereinafter called the "Bond Fund." This Fund shall be deposited with a depository of the Authority as trustee of the Pledged Revenue, and moneys deposited therein shall be used to pay principal of and interest on Bonds Similarly Secured when and as the same shall become due and payable.

(c) Greater Texoma Utility Authority Bond Reserve Fund, hereinafter called the "Reserve Fund." This Fund shall be deposited with a depository of the Authority and money deposited therein shall be used to pay the principal of and interest on Bonds Similarly Secured falling due at any time where there is insufficient money available in the Bond Fund.

SECTION 13: Revenue Fund. All revenues and income of any kind or character received by the Authority by reason of (i) its ownership of all or a part of the Project, (ii) the operation of the Project, or (iii) the Contract, shall be deposited in the Revenue Fund.

In the event money is deposited in the Revenue Fund from sources other than those specified in Section 3.01 of the Contract, then such money may be invested or reinvested or placed on time deposit in the same manner as the Reserve Fund pending its application to the reduction of payments that would otherwise be required to be made by the City under Section 3.01 of the Contract. Investment income and profits from the investment of the Revenue Fund shall be retained therein until used as provided in this Section.

Money in the Revenue Fund shall be used in the following order of priority:

1. Payments into the Bond Fund, as provided by Section 14;
2. Payments into the Reserve Fund, as provided by Section 15;
3. The curing of any deficiencies, as provided by Section 16;
4. The payment of other costs of the Project including maintenance and operation expenses not paid by the Authority and those purposes for which provision is made by Section 3.01(c) through 3.01(e) of the Contract; and
5. Applied as provided in Section 17.

SECTION 14: Bond Fund. The Authority hereby covenants and agrees to deposit to the credit of the Bond Fund amounts sufficient to pay the principal of and interest on the outstanding Bonds Similarly Secured as the same becomes due. There shall be deposited into the Bond Fund, by reason of the issuance of the Bonds, from the Pledged Revenue on deposit in the Revenue Fund (i) beginning on or before the twenty-fifth (25th) day of the month next following delivery of the Bonds and on or before the twenty-fifth (25th) day of each following month until and including the first interest payment date, an amount equal to not less than the fractional amount required in order to have the amount of the first installment of interest on deposit by the twenty-fifth (25th) day of the month next preceding the first interest payment date, and thereafter on the twenty-fifth (25th) day of each following month, an amount equal to not less than one sixth (1/6) of the next installment of interest; (ii) beginning on or before the twenty-fifth (25th) day of the month next following delivery of the Bonds, and on or before the twenty-fifth (25th) day of each following month until and including the first principal payment date, an amount equal to not less than the fractional amount required in order to have the amount of the first installment of principal on deposit by the twenty-fifth (25th) day of the month preceding the first principal payment date,

and thereafter on or before the twenty-fifth (25th) day of each month, an amount equal to one twelfth (1/12) of the next annual principal payment to become due on the Bonds.

The amounts required to be so deposited shall take into account amounts already on deposit in the Bond Fund.

The monthly deposits to the Bond Fund for the payment of principal and interest on the Bonds shall continue to be made as hereinabove provided until such time as (i) the total amount on deposit in the Bond Fund is equal to the amount required to pay all Outstanding Bonds Similarly Secured (principal and interest) for which said Fund was created and established or (ii) the Bonds Similarly Secured payable therefrom are no longer Outstanding.

Moneys on deposit in the Bond Fund may be invested, to the extent such investments are Authorized Investments, in United States Treasury bills, in similar direct obligations of the United States of America, or in certificates of deposit of any bank that is a member of the Federal Deposit Insurance Corporation (which are fully secured by a pledge of direct obligations of, or obligations of which the principal and interest are guaranteed by, the United States of America to the extent such certificates are not insured) maturing at such dates and in such manner as will provide cash to discharge interest and/or principal payments on Bonds Similarly Secured when and as the same become due.

Investment income and profits realized from the investment of the Bond Fund shall be retained therein until used as provided in this Section. Accrued interest, if any, shall be deposited into the Bond Fund.

SECTION 15: Reserve Fund. Upon the delivery of the Bonds, amounts on deposit in the Reserve Fund, allocated as a part of the Reserve Fund for the security of "Bonds Similarly Secured" under the resolutions authorizing the issuance of such Bonds Similarly Secured (including amounts held in the Reserve Fund by reason of the issuance of the Previously Issued Bonds) shall continue to be held as a part of the Reserve Fund for the security and payment, if required, of Bonds Similarly Secured as defined herein. The Authority hereby covenants and agrees with the holders of the Bonds Similarly Secured that it will provide for the accumulation of, and when accumulated, will thereafter continuously maintain in the Reserve Fund an amount equal to the average annual principal and interest requirement of all Bonds Similarly Secured (the Required Reserve Fund Amount). If any Bonds Similarly Secured are subject to mandatory redemption, the amount required to be redeemed in any Fiscal Year shall be treated as if it matured in that Fiscal Year. The average annual requirement shall be calculated on a Fiscal Year basis on the Outstanding Bonds Similarly Secured on the date of the last series of Bonds Similarly Secured (after giving effect to the issuance of such last series); provided, however, at such time as the Previously Issued Bonds identified in 1-7 of Section 10(I) hereof are no longer Outstanding, the average annual requirement shall also be calculated at the end of each Fiscal Year. Any amounts on deposit in the Reserve Fund in excess of such requirement shall be transferred to the Revenue Fund.

In addition, beginning on or before the twenty-fifth (25th) day of the month following the delivery of the Bonds, and on or before the twenty-fifth (25th) day of each month thereafter, there shall be deposited in the Reserve Fund substantially equal month deposits in an amount which will result in the Required Reserve Fund Amount being on deposit in the Reserve Fund within not more than sixty (60) months from the date of the passage of this Resolution, and such monthly deposits shall take into account the amounts already on deposit in said Reserve Fund.

When the Required Reserve Fund Amount has been fully accumulated, said monthly payments to said Fund may be terminated; provided, however, should the money in the Reserve Fund be utilized so the Reserve Fund balance is less than the Required Reserve Fund Amount, after the same has been accumulated, monthly deposits shall be made in an amount not less than one-twelfth (1/12th) of the amount of the deficiency and shall continue to be made on or before the twenty-fifth (25th) day of each month until the Required Reserve Fund Amount has been fully restored.

Money in the Reserve Fund may be, at the option of the Authority, invested or reinvested from time to time in direct obligations of or obligations the principal and interest of which are guaranteed by the United States of America or invested in direct obligations of or participation certificates guaranteed by the Federal Intermediate Credit Banks, Federal Land Banks, Federal National Mortgage Association, Federal Home Loan Banks, Banks for Cooperatives, and in certificates of deposit of any bank which is a member of the Federal Deposit Insurance Corporation, and such certificates of deposit are fully insured and/or secured by a pledge of the securities of any of the kind hereinabove specified, such obligations or securities to mature in not more than ten years from the date of such investment or not later than the final maturity of the Bonds Similarly Secured Outstanding for which the Reserve Fund is established, whichever is shorter. Any obligations in which money is so invested shall be kept in escrow with the custodian of said Fund, and shall be promptly sold when notified by the Authority that moneys on deposit in the Bond Fund are insufficient to make a current interest and/or principal payment on Bonds Similarly Secured, and the proceeds of sale of such investments and/or moneys on deposit in the Reserve Fund in an amount sufficient to meet the deficiency in the Bond Fund shall be immediately transferred to the Bond Fund, without further notice or authorization. The Authority shall direct the investment of moneys on deposit in the Reserve Fund.

Investment income and profits realized from the investment of the Reserve Fund shall be retained therein as may be necessary to fully establish or restore the Required Reserve Fund Amount and thereafter shall be transferred to the Revenue Fund.

Investments in the Reserve Fund shall be valued at the lower of cost or market on June 1 of each year, by the chief financial officer of the Authority. In the event the amount contained in the Reserve Fund (as the result of such valuation) is less than the amount then required to be on deposit, additional deposits in an amount equal to not less than 1/12th of the deficiency shall be made monthly, beginning on the 25th day of October next following until the deficiency has been corrected. In the event the amount contained in the Reserve Fund (as a result of such valuation) is more than the Required Reserve Fund Amount, the amount of such excess may be transferred to the Revenue Fund and shall be so transferred if directed by the Authority.

SECTION 16: Deficiencies in Funds. If in any month the Authority shall, for any reason, fail to pay into the Bond Fund and Reserve Fund the full amounts above stipulated, amounts equivalent to such deficiencies shall be set apart and paid into said Funds from the first available and un-allocated Pledged Revenue of the following month or months, and such payments shall be in addition to the amount hereinabove provided to be otherwise paid into said Funds during such month or months.

SECTION 17: Remainder of Revenues. Money remaining in the Revenue Fund, after making the payments required in items (1) through (4) of the last paragraph of Section 13, shall be transferred to any other fund created by this Resolution and used as a credit to the amount that would otherwise be required to be paid by the City under Section 3.01 of the Contract.

SECTION 18: Security of Funds and Their Transfer. All moneys on deposit in the special Funds for which this Resolution makes provision (except any portions thereof as may be at any time properly invested) shall be secured in the manner and to the fullest extent required by the laws of the State of Texas for the security of public funds, and moneys in such special Funds shall be used only for the purposes permitted by this Resolution.

While any of the Bonds are Outstanding, the Board of Directors shall cause to be transferred to the Paying Agent/Registrar therefor, from funds on deposit in the Bond Fund and, if necessary, in the Reserve Fund, amounts sufficient to fully pay and discharge promptly as each installment of interest and principal of the Bonds accrues or matures or comes due by reason of redemption prior to maturity, such transfer of funds to be made in such manner as will cause immediately available funds to be deposited with the Paying Agent/Registrar for the Bonds at the close of the business day next preceding the date of payment for the Bonds.

SECTION 19: Issuance of Additional Parity Bonds. In addition to the right to issue bonds of inferior lien as authorized by the laws of this State, the Authority reserves the right hereafter to issue Additional Bonds. The Additional Bonds, when issued, shall be payable from and secured by a first lien on and pledge of the Pledged Revenue in the same manner and to the same extent as are the Bonds and the Previously Issued Bonds. Bonds Similarly Secured shall in all respects be of equal dignity. The Additional Bonds may be issued in one or more installments provided, however, that no Additional Bonds shall be issued unless and until the following conditions have been met:

(a) The Authority is not then in default as to any covenant, condition or obligation prescribed in a resolution authorizing the issuance of the Outstanding Bonds Similarly Secured or the Contract (including any amendment or supplement thereto).

(b) A consulting engineer certifies to the Authority the need for an estimated amount of additional financing required for completion, expansion, enlargement or improvement of the Project.

(c) The City of Sherman, Texas, shall have approved the resolution(s) authorizing the issuance of the Additional Bonds as to form and content and acknowledged that the payment of principal of and interest on such bonds is payable, in whole or in part, from payments to be made by the City of Sherman, Texas, under and pursuant to the Contract.

(d) The Additional Bonds are made to mature on April 1 or October 1 or both in each of the years in which they are scheduled to mature.

(e) The resolution authorizing the issuance of the Additional Bonds provides for deposits to be made to the Bond Fund in amounts sufficient to pay the principal of and interest on such Additional Bonds as the same become due.

(f) The resolution authorizing the issuance of the Additional Bonds provides that (i) the amount to be accumulated and maintained in the Reserve Fund shall be in an amount equal to not less than the average annual requirement (calculated on a Fiscal Year basis) of the Outstanding Bonds Similarly Secured, as of the date of the last series of Bonds Similarly Secured after giving effect to the issuance of the Additional Bonds) for the payment of principal of and interest on all obligations to be secured by a first lien on and pledge of the Pledged Revenue, and (ii) any additional amount to be maintained in the Reserve Fund shall be accumulated within not

more than 60 months from the date of the passage of the resolution authorizing the issuance of the proposed Additional Bonds.

(g) The Authority will demonstrate to the Executive Administrator of the Texas Water Development Board that the Pledged Revenues will be sufficient to pay the Previously Issued Bonds, the Bonds and the proposed Additional Bonds.

Bonds Similarly Secured may be refunded (pursuant to any law then available) upon such terms and conditions as the governing body of the Authority may deem to be in the best interest of the Authority, and if less than all such Outstanding Bonds Similarly Secured are refunded the proposed refunding bonds shall be considered as "Additional Bonds" under the provisions of this Section, but the certificate required in subdivision (b) shall not be required or be applicable to the issuance of such refunding bonds.

SECTION 20: Insurance. The Authority covenants that it will at all times keep insured such of its plants, structures, buildings, stations, machinery, equipment, apparatus, distribution pipelines and equipment, as are usually insured by corporations operating like properties, with a responsible insurance company or companies, against risks, accidents or casualties against which and to the extent insurance is usually carried by corporations operating like properties, and will also at all times maintain worker's compensation insurance and insurance against public liability and property damages to the extent permitted by law, in a reasonable amount with a responsible insurance company or companies; provided, however, that any time while any contractor engaged in construction work shall be fully responsible therefor, or the Authority has assumed such responsibility, the Authority shall not be required to carry such insurance.

SECTION 21: Records - Accounts - Accounting Reports. The Authority hereby covenants and agrees that so long as any of the Bonds Similarly Secured or any interest thereon remain Outstanding and unpaid, it will keep and maintain a proper and complete system of records and accounts on a Fiscal Year basis pertaining to the operation of the Project separate and apart from all other records and accounts of the Authority in accordance with accepted accounting practices, and complete and correct entries shall be made of all transactions relating to said Project. The Holder or Holders of any Bonds Similarly Secured, or any duly authorized agent or agents of such Holders, shall have the right at all reasonable times to inspect all such records, accounts and data relating thereto and to inspect the Project and all properties comprising same. The Authority further agrees that within one hundred twenty (120) days following the close of each Fiscal Year, or as soon thereafter as possible, it will cause an audit of such books and accounts to be made by an independent firm of Certified Public Accountants or Licensed Public Accountants. Each such audit, in addition to whatever other matters may be thought proper by the Accountant shall particularly include the following:

- (a) A detailed statement of the receipts and disbursements from the Revenue Fund.
- (b) A balance sheet as of the end of such Fiscal Year.

(c) The Accountant's comments regarding the manner in which the Authority and the City have complied with the covenants and requirements of this Resolution and the Contract and his recommendations for any changes or improvements in the operation, records and accounts of the Authority.

(d) A list of the insurance policies in force (if obtained by the Authority) at the end of the Fiscal Year on the Project properties, setting out as to each policy the amount thereof, the risk covered, the name of the insurer, and the policy's expiration date.

(e) A list of the securities which have been on deposit as security for money in the Bond Fund and Reserve Fund throughout the Fiscal Year, a list of the securities, if any, in which money in the Bond Fund and Reserve Fund has been invested, and a statement of the manner in which money in the Revenue Fund has been secured in such Fiscal Year.

Expenses incurred in making the audits above referred to are to be regarded as Maintenance and Operating Expenses of the Project and paid as such. Copies of the aforesaid annual audit shall be immediately furnished to the Executive Director of the Municipal Advisory Council of Texas at his or her office in Austin, Texas, and, upon written request, to the initial Holder and any subsequent Holder of the Bonds Similarly Secured.

By its approval of this Resolution, the City of Sherman, Texas, agrees, in order to secure its obligations under the Contract, to maintain rates and charges for its utility system sufficient to pay all of its obligations secured by and made payable from the revenues derived from the operation of its utility system.

SECTION 22: Remedies in Event of Default. In addition to all the rights and remedies provided by the laws of the State of Texas, the Authority covenants and agrees particularly that in the event the Authority (a) defaults in payments to be made to the Bond Fund or Reserve Fund as required by this Resolution, or (b) defaults in the observance or performance of any other of the covenants, conditions or obligations set forth in this Resolution any Holder shall be entitled to a writ of mandamus issued by a court of proper jurisdiction compelling and requiring the Board of Directors and other officers of the Authority to observe and perform any covenant, condition or obligation prescribed in this Resolution.

No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power, or shall be construed to be a waiver of any such default or acquiescence therein, and every such right or power may be exercised from time to time and as often as may be deemed expedient. The specific remedy herein provided shall be cumulative of all other existing remedies and the specification of such remedies shall not be deemed to be exclusive.

SECTION 23: Special Covenants. The Authority hereby further covenants as follows:

(a) It has the lawful power to pledge the revenues supporting this issue of Bonds and has lawfully exercised said power under the Constitution and laws of the State of Texas; that the Bonds, Previously Issued Bonds, and the Additional Bonds, when issued, shall be ratably secured under said pledge of the Pledged Revenue in such manner that one bond shall have no preference over any other bond of said issues.

(b) Other than for the Bonds and the Previously Issued Bonds, the Pledged Revenue has in no manner been committed or pledged to the payment of any debt or obligation of the Authority.

(c) So long as any of the Bonds or any interest thereon remain Outstanding, the Authority will not sell or encumber the Project or any substantial part thereof; provided, however, this covenant shall not be construed to prohibit the sale of such machinery, or other properties or equipment which has become obsolete or otherwise unsuited to the efficient operation of the

Project, and, also, with the exception of the Additional Bonds expressly permitted by this Resolution to be issued, it will not encumber the Pledged Revenue unless such encumbrance is made junior and subordinate to all of the provisions of this Resolution.

(d) The Authority will maintain rates and charges to the City sufficient to meet the debt service requirements on the Outstanding obligations of the Authority that are supported by such revenues.

None of the special covenants herein appearing shall be construed in any manner which would deprive the Authority of its right to pledge any revenues produced by modification of the Contract and specifically designated to meet obligations incurred in providing the Authority with enlarged or additional facilities; further, that none of said covenants shall be construed in any manner which would deprive the Authority of its right to pledge that part of any revenue or income derived by it from other future contracts with other cities, towns or villages or the Authority or others and required to satisfy conditions for payment of other bonds or obligations issued by the Authority and such right is especially reserved.

SECTION 24: Bonds are Special Obligations. The Bonds are special obligations of the Authority payable from the Pledged Revenue and the Holders thereof shall never have the right to demand payment thereof out of funds raised or to be raised by taxation.

SECTION 25: Bonds are Negotiable Instruments. Each of the Bonds herein authorized shall be deemed and construed to be a "Security" and as such a negotiable instrument, within the meaning of Texas Business & Commerce Code, Chapter 8, as amended.

SECTION 26: Resolution a Contract - Amendments. This Resolution shall constitute a contract with the Holders from time to time, be binding on the Authority, and shall not be amended or repealed by the Authority so long as any Bond remains Outstanding except as permitted in this Section and in Section 39 hereof. The Authority, may, without the consent of or notice to any Holders, from time to time and at any time, amend this Resolution in any manner not detrimental to the interests of the Holders, including the curing of any ambiguity, inconsistency, or formal defect or omission herein. In addition, the Authority may, with the written consent of Holders holding a majority in aggregate principal amount of the Bonds Similarly Secured then outstanding, amend, add to, or rescind any of the provisions of this Resolution; provided that, without the consent of all Holders of the Bonds then outstanding, no such amendment, addition, or rescission shall (1) extend the time or times of payment of the principal of, premium, if any, and interest on the Bonds, reduce the principal amount thereof, the redemption price therefor, or the rate of interest thereon, or in any other way modify the terms of payment of the principal of, premium, if any, or interest on the Bonds, (2) give any preference to any Bond over any other Bond, or (3) reduce the aggregate principal amount of Bonds required to be held by Holders for consent to any such amendment, addition, or rescission.

SECTION 27: Satisfaction of Obligation of Authority. If the Authority shall pay or cause to be paid, or there shall otherwise be paid to the Holders, the principal of, premium, if any, and interest on the Bonds, at the times and in the manner stipulated in this Resolution, then the pledge of the Pledged Revenue under this Resolution and all other obligations of the Authority to the Holders shall thereupon cease, terminate, and become void and be discharged and satisfied.

Bonds or any principal amount(s) thereof shall be deemed to have been paid within the meaning and with the effect expressed above in this Section when (i) money sufficient to pay in full such Bonds or the principal amount(s) thereof at maturity or to the redemption date therefor,

together with all interest due thereon, shall have been irrevocably deposited with and held in trust by the Paying Agent/Registrar, or an authorized escrow agent, or (ii) Government Obligations shall have been irrevocably deposited in trust with the Paying Agent/Registrar, or an authorized escrow agent, which Government Obligations shall mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money, together with any moneys deposited therewith, if any, to pay when due the principal of and interest on such Bonds, or the principal amount(s) thereof, on and prior to the Stated Maturity thereof or (if notice of redemption has been duly given or waived or if irrevocable arrangements therefor acceptable to the Paying Agent/Registrar have been made) the redemption date thereof. In the event of a defeasance of the Bonds, the Authority shall deliver a certificate from its financial advisor, the Paying Agent/Registrar, an independent certified public accountant, or another qualified third party concerning the sufficiency of the deposit of cash and/or Government Obligations to pay, when due, the principal of, redemption premium (if any), and interest due on any defeased Bonds. The Authority covenants that no deposit of moneys or Government Obligations will be made under this Section and no use made of any such deposit which would cause the Bonds to be treated as "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or regulations adopted pursuant thereto.

Any moneys so deposited with the Paying Agent/Registrar, or an authorized escrow agent, and all income from Government Obligations held in trust by the Paying Agent/Registrar or an authorized escrow agent, pursuant to this Section which is not required for the payment of the Bonds, or any principal amount(s) thereof, or interest thereon with respect to which such moneys have been so deposited shall be remitted to the Authority or deposited as directed by the Authority. Furthermore, any money held by the Paying Agent/Registrar for the payment of the principal of and interest on the Bonds and remaining unclaimed for a period of three (3) years after the Stated Maturity, or applicable redemption date, of the Bonds such moneys were deposited and are held in trust to pay shall, upon the request of the Authority, be remitted to the Authority against a written receipt therefor. Notwithstanding the above and foregoing, any remittance of funds from the Paying Agent/Registrar to the Authority shall be subject to any applicable unclaimed property laws of the State of Texas.

SECTION 28: Notices to Holders-Waiver. Wherever this Resolution provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and sent by United States mail, first class postage prepaid, to the address of each Holder as it appears in the Security Register.

In any case in which notice to Holders is given by mail, neither the failure to mail such notice to any particular Holders, nor any defect in any notice so mailed, shall affect the sufficiency of such notice with respect to all other Bonds. Where this Resolution provides for notice in any manner, such notice may be waived in writing by the Holder entitled to receive such notice, either before or after the event with respect to which such notice is given, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Paying Agent/Registrar, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

SECTION 29: Cancellation. All Bonds surrendered for payment, redemption, transfer, exchange, or replacement, if surrendered to the Paying Agent/Registrar, shall be promptly canceled by it and, if surrendered to the Authority, shall be delivered to the Paying Agent/Registrar and, if not already canceled, shall be promptly canceled by the Paying Agent/Registrar. The Authority may at any time deliver to the Paying Agent/Registrar for cancellation any Bonds previously certified or registered and delivered which the Authority may have acquired in any

manner whatsoever, and all Bonds so delivered shall be promptly canceled by the Paying Agent/Registrar. All canceled Bonds held by the Paying Agent/Registrar shall be destroyed as directed by the Authority.

SECTION 30: Mutilated - Destroyed - Lost and Stolen Bonds. In case any Bond shall be mutilated, or destroyed, lost or stolen, the Paying Agent/Registrar may execute and deliver a replacement Bond of like form and tenor, and in the same denomination and bearing a number not contemporaneously outstanding, in exchange and substitution for such mutilated Bond, or in lieu of and in substitution for such destroyed, lost or stolen Bond, only upon the approval of the Authority and after (i) the filing by the Holder thereof with the Paying Agent/Registrar of evidence satisfactory to the Paying Agent/Registrar of the destruction, loss or theft of such Bond, and of the authenticity of the ownership thereof and (ii) the furnishing to the Paying Agent/Registrar of indemnification in an amount satisfactory to hold the Authority and the Paying Agent/Registrar harmless. All expenses and charges associated with such indemnity and with the preparation, execution and delivery of a replacement Bond shall be borne by the Holder of the Bond mutilated, or destroyed, lost or stolen.

Every replacement Bond issued pursuant to this Section shall be a valid and binding obligation, and shall be entitled to all the benefits of this Resolution equally and ratably with all other Outstanding Bonds; notwithstanding the enforceability of payment by anyone of the destroyed, lost, or stolen Bonds.

The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement and payment of mutilated, destroyed, lost or stolen Bonds.

SECTION 31: Covenants to Maintain Tax-Exempt Status.

(a) Definitions. When used in this Section, the following terms shall have the following meanings:

“Closing Date” means the date on which the Bonds are first authenticated and delivered to the initial purchasers against payment therefor.

“Code” means the Internal Revenue Code of 1986, as amended by all legislation, if any, effective on or before the Closing Date.

“Computation Date” has the meaning set forth in Section 1.148-1(b) of the Regulations.

“Gross Proceeds” means any proceeds as defined in Section 1.148-1(b) of the Regulations, and any replacement proceeds as defined in Section 1.148-1(c) of the Regulations, of the Bonds.

“Investment” has the meaning set forth in Section 1.148-1(b) of the Regulations.

“Nonpurpose Investment” means any investment property, as defined in Section 148(b) of the Code, in which Gross Proceeds of the Bonds are invested and which is not acquired to carry out the governmental purposes of the Bonds.

“Rebate Amount” has the meaning set forth in Section 1.148-1(b) of the Regulations.

“Regulations” means any proposed, temporary, or final Income Tax Regulations issued pursuant to Sections 103 and 141 through 150 of the Code, and 103 of the Internal Revenue Code of 1954, which are applicable to the Bonds. Any reference to any specific Regulation shall also mean, as appropriate, any proposed, temporary or final Income Tax Regulation designed to supplement, amend or replace the specific Regulation referenced.

“Yield” of (i) any Investment has the meaning set forth in Section 1.148-5 of the Regulations; and (ii) the Bonds has the meaning set forth in Section 1.148-4 of the Regulations.

(b) Not to Cause Interest to Become Taxable. The Authority shall not use, permit the use of, or omit to use Gross Proceeds or any other amounts (or any property the acquisition, construction or improvement of which is to be financed directly or indirectly with Gross Proceeds) in a manner which if made or omitted, respectively, would cause the interest on any Bond to become includable in the gross income, as defined in Section 61 of the Code, of the owner thereof for federal income tax purposes. Without limiting the generality of the foregoing, unless and until the Authority receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that failure to comply with such covenant will not adversely affect the exemption from federal income tax of the interest on any Bond, the Authority shall comply with each of the specific covenants in this Section.

(c) No Private Use or Private Payments. Except as permitted by Section 141 of the Code and the Regulations and rulings thereunder, the Authority shall at all times prior to the last Stated Maturity of Bonds:

(i) exclusively own, operate and possess all property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with Gross Proceeds of the Bonds, and not use or permit the use of such Gross Proceeds (including all contractual arrangements with terms different than those applicable to the general public) or any property acquired, constructed or improved with such Gross Proceeds in any activity carried on by any person or entity (including the United States or any agency, department and instrumentality thereof) other than a state or local government, unless such use is solely as a member of the general public; and

(ii) not directly or indirectly impose or accept any charge or other payment by any person or entity who is treated as using Gross Proceeds of the Bonds or any property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with such Gross Proceeds, other than taxes of general application within the Authority or interest earned on investments acquired with such Gross Proceeds pending application for their intended purposes.

(d) No Private Loan. Except to the extent permitted by Section 141 of the Code and the Regulations and rulings thereunder, the Authority shall not use Gross Proceeds of the Bonds to make or finance loans to any person or entity other than a state or local government. For purposes of the foregoing covenant, such Gross Proceeds are considered to be “loaned” to a person or entity if: (1) property acquired, constructed or improved with such Gross Proceeds is

sold or leased to such person or entity in a transaction which creates a debt for federal income tax purposes; (2) capacity in or service from such property is committed to such person or entity under a take-or-pay, output or similar contract or arrangement; or (3) indirect benefits, or burdens and benefits of ownership, of such Gross Proceeds or any property acquired, constructed or improved with such Gross Proceeds are otherwise transferred in a transaction which is the economic equivalent of a loan.

(e) Not to Invest at Higher Yield. Except to the extent permitted by Section 148 of the Code and the Regulations and rulings thereunder, the Authority shall not at any time prior to the final Stated Maturity of the Bonds directly or indirectly invest Gross Proceeds in any Investment (or use Gross Proceeds to replace money so invested), if as a result of such investment the Yield from the Closing Date of all Investments acquired with Gross Proceeds (or with money replaced thereby), whether then held or previously disposed of, exceeds the Yield of the Bonds.

(f) Not Federally Guaranteed. Except to the extent permitted by Section 149(b) of the Code and the Regulations and rulings thereunder, the Authority shall not take or omit to take any action which would cause the Bonds to be federally guaranteed within the meaning of Section 149(b) of the Code and the Regulations and rulings thereunder.

(g) Information Report. The Authority shall timely file the information required by Section 149(e) of the Code with the Secretary of the Treasury on Form 8038-G or such other form and in such place as the Secretary may prescribe.

(h) Rebate of Arbitrage Profits. Except to the extent otherwise provided in Section 148(f) of the Code and the Regulations and rulings thereunder:

(i) The Authority shall account for all Gross Proceeds (including all receipts, expenditures and investments thereof) on its books of account separately and apart from all other funds (and receipts, expenditures and investments thereof) and shall retain all records of accounting for at least six years after the day on which the last outstanding Bond is discharged. However, to the extent permitted by law, the Authority may commingle Gross Proceeds of the Bonds with other money of the Authority, provided that the Authority separately accounts for each receipt and expenditure of Gross Proceeds and the obligations acquired therewith.

(ii) Not less frequently than each Computation Date, the Authority shall calculate the Rebate Amount in accordance with rules set forth in Section 148(f) of the Code and the Regulations and rulings thereunder. The Authority shall maintain such calculations with its official transcript of proceedings relating to the issuance of the Bonds until six years after the final Computation Date.

(iii) As additional consideration for the purchase of the Bonds by the Purchasers and the loan of the money represented thereby and in order to induce such purchase by measures designed to insure the excludability of the interest thereon from the gross income of the owners thereof for federal income tax purposes, the Authority shall pay to the United States out of the general fund, other appropriate fund, or if permitted by applicable Texas statute, regulation or opinion of the Attorney General of the State of Texas, the Bond Fund the amount that when added to the future value of previous rebate payments made for the Bonds equals (i) in the case of a Final Computation Date as defined in Section 1.148-3(e)(2) of the Regulations, one hundred percent (100%) of the Rebate Amount on such date;

and (ii) in the case of any other Computation Date, ninety percent (90%) of the Rebate Amount on such date. In all cases, the rebate payments shall be made at the times, in the installments, to the place and in the manner as is or may be required by Section 148(f) of the Code and the Regulations and rulings thereunder, and shall be accompanied by Form 8038-T or such other forms and information as is or may be required by Section 148(f) of the Code and the Regulations and rulings thereunder.

(iv) The Authority shall exercise reasonable diligence to assure that no errors are made in the calculations and payments required by paragraphs (2) and (3), and if an error is made, to discover and promptly correct such error within a reasonable amount of time thereafter (and in all events within one hundred eighty (180) days after discovery of the error), including payment to the United States of any additional Rebate Amount owed to it, interest thereon, and any penalty imposed under Section 1.148-3(h) of the Regulations.

(i) Not to Divert Arbitrage Profits. Except to the extent permitted by section 148 of the Code and the Regulations and rulings thereunder, the Authority shall not, at any time prior to the earlier of the Stated Maturity or final payment of the Bonds, enter into any transaction that reduces the amount required to be paid to the United States pursuant to Subsection (h) of this Section because such transaction results in a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the Yield of the Bonds not been relevant to either party.

(j) Elections. The Authority hereby directs and authorizes the President, Vice President, Secretary and/or Assistant Secretary of the Board of Directors of the Authority, and the General Manager of the Authority, individually or jointly, to make elections permitted or required pursuant to the provisions of the Code or the Regulations, as they deem necessary or appropriate in connection with the Bonds, in the Certificate as to Tax Exemption or similar or other appropriate certificate, form or document.

SECTION 32: Sale of Bonds – Official Statement. The Bonds authorized by this Resolution may be sold by the Authority to the purchaser(s) (herein referred to as the "Purchasers") by (i) negotiated sale, in accordance with a bond purchase agreement (the "Purchase Contract"), (ii) private placement, in accordance with an agreement to purchase or other agreement, or (iii) competitive bidding, in accordance with the successful bid submitted therefor, as determined by the Pricing Officer, in accordance with Section 3 hereof. The Pricing Officer is hereby authorized and directed to execute the Purchase Contract, agreement to purchase in the event of a private placement, or the successful bid form in the event of a competitive sale, as applicable, for and on behalf of the Authority and as the act and deed of this Board.

The President and Secretary of the Board of Directors of the Authority are further authorized and directed to execute and deliver for and on behalf of the Authority copies of a Preliminary Official Statement and Official Statement, prepared in connection with the offering of the Bonds by the Purchasers, in final form as may be required by the Purchasers, and such final Official Statement in the form and content as approved by the Pricing Officer shall be deemed to be approved by the Board of Directors of the Authority and constitute the Official Statement authorized for distribution and use by the Purchasers.

SECTION 33: Proceeds of Sale. Immediately following the delivery of the Bonds, the proceeds of sale (less those proceeds of sale designated to pay costs of issuance, and accrued interest received from the Purchasers, if any, of the Bonds) shall be deposited to the credit of a fund kept at a depository bank of the Authority. Pending expenditure for authorized projects and purposes, such proceeds of sale may be invested in authorized investments in accordance with the provisions of Texas Government Code, Chapter 2256, including guaranteed investment contracts permitted in Texas Government Code., Section 2256.015, et seq, and any investment earnings realized may be expended for such authorized projects and purposes or deposited in the Bond Fund as shall be determined by the Board of Directors; all in accordance with written instructions from the Authority or its financial advisor. Any accrued interest received from the Purchasers and as well as all surplus proceeds of sale of the Bonds, including investment earnings, remaining after completion of all authorized projects or purposes shall be deposited to the credit of the Bond Fund.

SECTION 34: Control and Custody of Bonds. The President of the Board of Directors of the Authority shall be and is hereby authorized to take and have charge of all necessary orders and records pending investigation by the Attorney General of the State of Texas, including the printing and supply of definitive Bonds, and shall take and have charge and control of the Initial Bonds pending approval by the Attorney General, the registration thereof by the Comptroller of Public Accounts, and the delivery thereof to the Purchaser.

SECTION 35: Legal Opinion. The Purchaser's obligation to accept delivery of the Bonds is subject to its being furnished a final opinion of Norton Rose Fulbright US LLP ("Bond Counsel") approving such Bonds as to their validity, said opinion to be dated and delivered as of the date of delivery and payment for the Bonds by the initial purchasers. A true and correct reproduction of said opinion is hereby authorized to be printed on the definitive Bonds or an executed counterpart thereof shall accompany the global Bonds deposited with the Depository Trust Company. The Board of Directors confirms the prior engagement of Norton Rose Fulbright US LLP as the Authority's Bond Counsel.

SECTION 36: CUSIP Numbers. CUSIP numbers may be printed or typed on the Bonds. It is expressly provided, however, that the presence or absence of CUSIP numbers on the Bonds shall be of no significance or effect as regards the legality thereof and neither the Authority nor attorneys approving said Bonds as to legality are to be held responsible for CUSIP numbers incorrectly printed or typed on the Bonds.

SECTION 37: Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

SECTION 38: Further Procedures. Any one or more of the President, Vice President, Secretary, and/or Assistant Secretary of the Board of Directors of the Authority, and the General Manager of the Authority, are hereby expressly authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and on behalf of the Authority all agreements, instruments, certificates or other documents, whether mentioned herein or not, as may be necessary or desirable in order to carry out the terms and provisions of this Resolution and the issuance of the Bonds. In addition, prior to the initial delivery of the Bonds, the President, Vice President, Secretary, and/or Assistant Secretary of the Board of Directors of the Authority, and the General Manager of the Authority, and Bond Counsel are each hereby authorized and directed to approve any technical changes or corrections to this Resolution or to any of the documents authorized and approved by this Resolution: (i) in order to cure any technical ambiguity, formal defect, or omission in the Resolution

or such other document; or (ii) as requested by the Attorney General of the State of Texas or his representative to obtain the approval of the Bonds by the Attorney General and if such officer or counsel determines that such ministerial changes are consistent with the intent and purpose of the Resolution, which determination shall be final. In the event that any officer of the Authority whose signature shall appear on any document shall cease to be such officer before the delivery of such document, such signature nevertheless shall be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

SECTION 39: Continuing Disclosure Undertaking.

(a) Definitions. As used in this Section, the following terms have the meanings ascribed to such terms below:

“Financial Obligation” means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that “financial obligation” shall not include municipal securities as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

“MSRB” means the Municipal Securities Rulemaking Board.

“Rule” means SEC Rule 15c2-12, as amended from time to time or officially interpreted by the SEC.

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

(b) Annual Reports. The Authority shall provide annually to the MSRB (1) within six months after the end of each fiscal year ending in the year stated in the Pricing Certificate, financial information and operating data with respect to the Authority and the City of the general type included in the final Official Statement approved by the Pricing Officer and described in the Pricing Certificate, and (2) if not provided as part such financial information and operating data, audited financial statements of the Authority and the City, when and if available. Any financial statements so to be provided shall be prepared in accordance with the accounting principles described in the Pricing Certificate, or such other accounting principles as the Authority and the City, respectively, may be required to employ from time to time pursuant to state law or regulation, and audited, if the Authority commissions an audit of such statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within twelve (12) months after any such fiscal year end, then the Authority shall file unaudited financial statements within such twelve-month period and audited financial statements when and if such audited financial statements become available.

If the Authority 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 Authority 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 document available to the public on the MSRB’s Internet Web site or filed with the SEC.

(c) Notice of Certain Events. The Authority shall provide notice of any of the following events with respect to the Bonds to the MSRB in a timely manner and not more than 10 business days after occurrence of the event:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) 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;
- (7) Modifications to rights of holders of the Bonds, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Bonds, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership, or similar event of the Authority, which shall occur as described below;
- (13) The consummation of a merger, consolidation, or acquisition involving the Authority or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into of 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, if material;
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) Incurrence of a Financial Obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Authority, any of which affect security holders, if material; and
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Authority, any of which reflect financial difficulties.

For these purposes, (a) any event described in the immediately preceding paragraph 12 is considered to occur when any of the following occur: the appointment of a receiver, fiscal

agent, or similar officer for the Authority in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Authority, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Authority, and (b) the Authority intends the words used in the immediately preceding paragraphs (15) and (16) and the definition of Financial Obligation in this Section to have the meanings ascribed to them in SEC Release No. 34-83885, dated August 20, 2018.

The Authority shall notify the MSRB, in a timely manner, of any failure by the Authority to provide financial information or operating data in accordance with subsection (b) of this Section by the time required by this Section.

(d) Filings with the MSRB. All financial information, operating data, financial statements, notices, and other documents provided to the MSRB in accordance with this Section shall be provided in an electronic format prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

(e) Limitations, Disclaimers, and Amendments. The Authority shall be obligated to observe and perform the covenants specified in this Section with respect to the Authority and the Bonds while, but only while, the Authority remains an “obligated person” with respect to the Bonds within the meaning of the Rule, except that the Authority in any event will give notice required by subsection (c) hereof of any Bond calls and defeasance that cause the Authority to be no longer such an “obligated person”.

The provisions of this Section are for the sole benefit of the Holders and beneficial owners of the Bonds, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The Authority undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the financial results, condition, or prospects of the Authority or the State of Texas or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The Authority 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 AUTHORITY BE LIABLE TO THE HOLDER 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 AUTHORITY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, 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 Authority in observing or performing its obligations under this Section shall constitute a breach of or default under this Resolution for purposes of any other provision of this Resolution.

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

Notwithstanding anything herein to the contrary, the provisions of this Section may be amended by the Authority from time to time to adapt to changed circumstances resulting from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Authority, but only if (1) the provisions of this Section, 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 Holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this Resolution that authorizes such an amendment) of the Outstanding Bonds consent to such amendment or (b) a Person that is unaffiliated with the Authority (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Holders and beneficial owners of the Bonds. The provisions of this Section may also be amended from time to time or repealed by the Authority if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction determines that such provisions are invalid, but only if and to the extent that reservation of the Authority's right to do so would not prevent underwriters of the initial public offering of the Bonds from lawfully purchasing or selling Bonds in such offering. If the Authority so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with subsection (b) 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 40: Benefits of Resolution. Nothing in this Resolution, expressed or implied, is intended or shall be construed to confer upon any person other than the Authority, the Paying Agent/Registrar and the Holders, any right, remedy, or claim, legal or equitable, under or by reason of this Resolution or any provision hereof, this Resolution and all its provisions being intended to be and being for the sole and exclusive benefit of the Authority, the Paying Agent/Registrar, and the Holders.

SECTION 41: Inconsistent Provisions. All orders or resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters contained herein.

SECTION 42: Governing Law. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 43: Incorporation of Findings and Determinations. The findings and determinations of the Board of the Authority contained in the preambles hereof are hereby incorporated by reference and made a part of this Resolution for all purposes as if the same were restated in full in this Section.

SECTION 44: Severability. If any provision of this Resolution or the application thereof to any circumstance shall be held to be invalid, the remainder of this Resolution and the application thereof to other circumstances shall nevertheless be valid, and this governing body hereby declares that this Resolution would have been enacted without such invalid provision.

SECTION 45: Municipal Bond Insurance. The Bonds may be sold with the principal of and interest thereon being insured by a municipal bond insurance provider authorized to transact

business in the State of Texas. The Pricing Officer is hereby authorized to make the selection of municipal bond insurance (if any) for the Bonds and make the determination of the provisions of any commitment therefor.

SECTION 46: Contract. The Contract is amended to include the Series 2024A Project and a description of the Series 2024A Project shall be attached to the contract as Exhibit D-17. In all other respects the Contract is reapproved and shall be and remain in full force as the agreement of the parties.

SECTION 47: Public Meeting. It is officially found, determined, and declared that the meeting at which this Resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Resolution, was given, all as required by Texas Government Code, Chapter 551, as amended.

SECTION 48: Effective Date. This Resolution shall be in force and effect from and after its passage on the date shown below.

[remainder of page left blank intentionally]

PASSED AND ADOPTED, this June 17, 2024.

GREATER TEXOMA UTILITY AUTHORITY

President, Board of Directors

ATTEST:

Secretary, Board of Directors

(Seal)

EXHIBIT A

Form of Paying Agent/Registrar Agreement

FORM OF PAYING AGENT/REGISTRAR AGREEMENT

THIS AGREEMENT is entered into as of _____ (this "Agreement"), by and between _____, _____, Texas, a banking corporation duly organized and existing under the laws of the _____ and authorized to do business in the State of Texas, or its successors (the "Bank") and the Greater Texoma Utility Authority (the "Issuer"),

RECITALS

WHEREAS, the Issuer has duly authorized and provided for the issuance of its "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2024A (City of Sherman Project)" (the "Securities"), dated _____, such Securities scheduled to be delivered to the initial purchasers thereof on or about _____; and

WHEREAS, the Issuer has selected the Bank to serve as Paying Agent/Registrar in connection with the payment of the principal of, premium, if any, and interest on said Securities and with respect to the registration, transfer and exchange thereof by the registered owners thereof; and

WHEREAS, the Bank has agreed to serve in such capacities for and on behalf of the Issuer and has full power and authority to perform and serve as Paying Agent/Registrar for the Securities;

NOW, THEREFORE, it is mutually agreed as follows:

ARTICLE ONE APPOINTMENT OF BANK AS PAYING AGENT AND REGISTRAR

Section 1.01 Appointment. The Issuer hereby appoints the Bank to serve as Paying Agent with respect to the Securities, and, as Paying Agent for the Securities, the Bank shall be responsible for paying on behalf of the Issuer the principal, premium (if any), and interest on the Securities as the same become due and payable to the registered owners thereof; all in accordance with this Agreement and the "Authorizing Document" (hereinafter defined). The Issuer hereby appoints the Bank as Registrar with respect to the Securities and, as Registrar for the Securities, the Bank shall keep and maintain for and on behalf of the Issuer books and records as to the ownership of said Securities and with respect to the transfer and exchange thereof as provided herein and in the Authorizing Document.

The Bank hereby accepts its appointment, and agrees to serve as the Paying Agent and Registrar for the Securities.

Section 1.02 Compensation. As compensation for the Bank's services as Paying Agent/Registrar, the Issuer hereby agrees to pay the Bank the fees and amounts set forth in Annex A attached hereto; provided however, notwithstanding anything herein or in Annex A to the contrary, the aggregate value of this agreement shall be less than the dollar limitation set forth in Sections 2271.002(a)(2), 2274.002(a)(2) and 2276.002(a)(2) of the Texas Government Code, as amended.

In addition, the Issuer agrees to reimburse the Bank upon its request for all reasonable expenses, disbursements and advances incurred or made by the Bank in accordance with any of

the provisions hereof (including the reasonable compensation and the expenses and disbursements of its agents and counsel).

ARTICLE TWO DEFINITIONS

Section 2.01 Definitions. For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

“Acceleration Date” on any Security means the date, if any, on and after which the principal or any or all installments of interest, or both, are due and payable on any Security which has become accelerated pursuant to the terms of the Security.

“Authorizing Document” means the resolution, order, or ordinance of the governing body of the Issuer pursuant to which the Securities are issued, as the same may be amended or modified, including any pricing certificate related thereto, certified by the secretary or any other officer of the Issuer and delivered to the Bank.

“Bank Office” means the designated office of the Bank at the address shown in Section 3.01 hereof. The Bank will notify the Issuer in writing of any change in location of the Bank Office.

“Holder” and “Security Holder” each means the Person in whose name a Security is registered in the Security Register.

“Person” means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision of a government.

“Predecessor Securities” of any particular Security means every previous Security evidencing all or a portion of the same obligation as that evidenced by such particular Security (and, for the purposes of this definition, any mutilated, lost, destroyed, or stolen Security for which a replacement Security has been registered and delivered in lieu thereof pursuant to Section 4.06 hereof and the Authorizing Document).

“Redemption Date”, when used with respect to any Security to be redeemed, means the date fixed for such redemption pursuant to the terms of the Authorizing Document.

“Responsible Officer”, when used with respect to the Bank, means the Chairman or Vice-Chairman of the Board of Directors, the Chairman or Vice-Chairman of the Executive Committee of the Board of Directors, the President, any Vice President, the Secretary, any Assistant Secretary, the Treasurer, any Assistant Treasurer, the Cashier, any Assistant Cashier, any Trust Officer or Assistant Trust Officer, or any other officer of the Bank customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate trust matter, any

other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

“Security Register” means a register maintained by the Bank on behalf of the Issuer providing for the registration and transfers of Securities.

“Stated Maturity” means the date specified in the Authorizing Document the principal of a Security is scheduled to be due and payable.

Section 2.02 Other Definitions. The terms “Bank,” “Issuer,” and “Securities (Security)” have the meanings assigned to them in the recital paragraphs of this Agreement.

The term “Paying Agent/Registrar” refers to the Bank in the performance of the duties and functions of this Agreement.

ARTICLE THREE PAYING AGENT

Section 3.01 Duties of Paying Agent. As Paying Agent, the Bank shall pay, provided adequate collected funds have been provided to it for such purpose by or on behalf of the Issuer, on behalf of the Issuer the principal of each Security at its Stated Maturity, Redemption Date or Acceleration Date, to the Holder upon surrender of the Security to the Bank at the following address:

As Paying Agent, the Bank shall, provided adequate collected funds have been provided to it for such purpose by or on behalf of the Issuer, pay on behalf of the Issuer the interest on each Current Interest Bond when due, by computing the amount of interest to be paid each Holder and making payment thereof to the Holders of the Current Interest Bonds (or their Predecessor Securities) on the Record Date (as defined in the Authorizing Document). All payments of principal and/or interest on the Securities to the registered owners shall be accomplished (1) by the issuance of checks, payable to the registered owners, drawn on the paying agent account provided in Section 5.05 hereof, sent by United States mail, first class postage prepaid, to the address appearing on the Security Register or (2) by such other method, acceptable to the Bank, requested in writing by the Holder at the Holder’s risk and expense.

Section 3.02 Payment Dates. The Issuer hereby instructs the Bank to pay the principal of and interest on the Securities on the dates specified in the Authorizing Document.

ARTICLE FOUR REGISTRAR

Section 4.01 Security Register - Transfers and Exchanges. The Bank agrees to keep and maintain for and on behalf of the Issuer at the Bank Office books and records (herein sometimes referred to as the “Security Register”) for recording the names and addresses of the Holders of the Securities, the transfer, exchange and replacement of the Securities and the payment of the principal of and interest on the Securities to the Holders and containing such other

information as may be reasonably required by the Issuer and subject to such reasonable regulations as the Issuer and the Bank may prescribe. The Bank represents and warrants that it will at all times have immediate access to the Security Register by electronic or other means and will be capable at all times of producing a hard copy of the Security Register for use by the Issuer. All transfers, exchanges and replacements of Securities shall be noted in the Security Register.

Every Security surrendered for transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfer, the signature on which has been guaranteed by an officer of a federal or state bank or a member of the Financial Industry Regulatory Authority, such written instrument to be in a form satisfactory to the Bank and duly executed by the Holder thereof or his agent duly authorized in writing.

The Bank may request any supporting documentation it feels necessary to effect a re-registration, transfer or exchange of the Securities.

To the extent possible and under reasonable circumstances, the Bank agrees that, in relation to an exchange or transfer of Securities, the exchange or transfer by the Holders thereof will be completed and new Securities delivered to the Holder or the assignee of the Holder in not more than three (3) business days after the receipt of the Securities to be cancelled in an exchange or transfer and the written instrument of transfer or request for exchange duly executed by the Holder, or his duly authorized agent, in form and manner satisfactory to the Paying Agent/Registrar.

Section 4.02 Securities. The Issuer shall provide additional Securities when needed to facilitate transfers or exchanges thereof. The Bank covenants that such additional Securities, if and when provided, will be kept in safekeeping pending their use and reasonable care will be exercised by the Bank in maintaining such Securities in safekeeping, which shall be not less than the care maintained by the Bank for debt securities of other governments or corporations for which it serves as registrar, or that is maintained for its own securities.

Section 4.03 Form of Security Register. The Bank, as Registrar, will maintain the Security Register relating to the registration, payment, transfer and exchange of the Securities in accordance with the Bank's general practices and procedures in effect from time to time. The Bank shall not be obligated to maintain such Security Register in any form other than those which the Bank has currently available and currently utilizes at the time.

The Security Register may be maintained in written form or in any other form capable of being converted into written form within a reasonable time.

Section 4.04 List of Security Holders. The Bank will provide the Issuer at any time requested by the Issuer, upon payment of the required fee, a copy of the information contained in the Security Register. The Issuer may also inspect the information contained in the Security Register at any time the Bank is customarily open for business, provided that reasonable time is allowed the Bank to provide an up-to-date listing or to convert the information into written form.

The Bank will not release or disclose the contents of the Security Register to any person other than to, or at the written request of, an authorized officer or employee of the Issuer, except upon receipt of a court order or as otherwise required by law. Upon receipt of a court order and prior to the release or disclosure of the contents of the Security Register, the Bank will notify the Issuer so that the Issuer may contest the court order or such release or disclosure of the contents of the Security Register.

Section 4.05 Return of Cancelled Securities. The Bank will, at such reasonable intervals as it determines, surrender to the Issuer, all Securities in lieu of which or in exchange for which other Securities have been issued, or which have been paid.

Section 4.06 Mutilated, Destroyed, Lost or Stolen Securities. The Issuer hereby instructs the Bank, subject to the provisions of the Authorizing Document, to deliver and issue Securities in exchange for or in lieu of mutilated, destroyed, lost, or stolen Securities as long as the same does not result in an overissuance.

In case any Security shall be mutilated, destroyed, lost or stolen, the Bank may execute and deliver a replacement Security of like form and tenor, and in the same denomination and bearing a number not contemporaneously outstanding, in exchange and substitution for such mutilated Security, or in lieu of and in substitution for such mutilated, destroyed, lost or stolen Security, only upon the approval of the Issuer and after (i) the filing by the Holder thereof with the Bank of evidence satisfactory to the Bank of the destruction, loss or theft of such Security, and of the authenticity of the ownership thereof and (ii) the furnishing to the Bank of indemnification in an amount satisfactory to hold the Issuer and the Bank harmless. All expenses and charges associated with such indemnity and with the preparation, execution and delivery of a replacement Security shall be borne by the Holder of the Security mutilated, destroyed, lost or stolen.

Section 4.07 Transaction Information to Issuer. The Bank will, within a reasonable time after receipt of written request from the Issuer, furnish the Issuer information as to the Securities it has paid pursuant to Section 3.01, Securities it has delivered upon the transfer or exchange of any Securities pursuant to Section 4.01, and Securities it has delivered in exchange for or in lieu of mutilated, destroyed, lost, or stolen Securities pursuant to Section 4.06.

ARTICLE FIVE THE BANK

Section 5.01 Duties of Bank. The Bank undertakes to perform the duties set forth herein and agrees to use reasonable care in the performance thereof.

Section 5.02 Reliance on Documents, Etc.

(a) The Bank may conclusively rely, as to the truth of the statements and correctness of the opinions expressed therein, on certificates or opinions furnished to the Bank.

(b) The Bank shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Bank was negligent in ascertaining the pertinent facts.

(c) No provisions of this Agreement shall require the Bank to expend or risk its own funds or otherwise incur any financial liability for performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity satisfactory to it against such risks or liability is not assured to it.

(d) The Bank may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security or other paper or document believed by it to be genuine and

to have been signed or presented by the proper party or parties. Without limiting the generality of the foregoing statement, the Bank need not examine the ownership of any Securities, but is protected in acting upon receipt of Securities containing an endorsement or instruction of transfer or power of transfer which appears on its face to be signed by the Holder or an agent of the Holder. The Bank shall not be bound to make any investigation into the facts or matters stated in a resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security or other paper or document supplied by the Issuer.

(e) The Bank may consult with counsel, and the written advice of such counsel or any opinion of counsel shall be full and complete authorization and protection with respect to any action taken, suffered, or omitted by it hereunder in good faith and in reliance thereon.

(f) The Bank may exercise any of the powers hereunder and perform any duties hereunder either directly or by or through agents or attorneys of the Bank.

(g) The Bank is also authorized to transfer funds relating to the closing and initial delivery of the Securities in the manner disclosed in the closing memorandum or letter as prepared by the Issuer, Issuer's financial advisor or other agent. The Bank may act on a facsimile or e-mail transmission of the closing memorandum or letter acknowledged by the Issuer, the Issuer's financial advisor or other agent as the final closing memorandum or letter. The Bank shall not be liable for any losses, costs or expenses arising directly or indirectly from the Bank's reliance upon and compliance with such instructions.

Section 5.03 Recitals of Issuer. The recitals contained herein with respect to the Issuer and in the Securities shall be taken as the statements of the Issuer, and the Bank assumes no responsibility for their correctness.

The Bank shall in no event be liable to the Issuer, any Holder or Holders of any Security, or any other Person for any amount due on any Security from its own funds.

Section 5.04 May Hold Securities. The Bank, in its individual or any other capacity, may become the owner or pledgee of Securities and may otherwise deal with the Issuer with the same rights it would have if it were not the Paying Agent/Registrar, or any other agent.

Section 5.05 Moneys Held by Bank - Paying Agent Account/Collateralization. A paying agent account shall at all times be kept and maintained by the Bank for the receipt, safekeeping, and disbursement of moneys received from the Issuer under this Agreement for the payment of the Securities, and money deposited to the credit of such account until paid to the Holders of the Securities shall be continuously collateralized by securities or obligations which qualify and are eligible under both the laws of the State of Texas and the laws of the United States of America to secure and be pledged as collateral for paying agent accounts to the extent such money is not insured by the Federal Deposit Insurance Corporation. Payments made from such paying agent account shall be made by check drawn on such account unless the owner of the Securities shall, at its own expense and risk, request an alternative method of payment.

Subject to the applicable unclaimed property laws of the State of Texas, any money deposited with the Bank for the payment of the principal of, premium (if any), or interest on any Security and remaining unclaimed for three years after final maturity of the Security has become due and payable will be held by the Bank and disposed of only in accordance with Title 6 of the Texas Property Code, as amended. The Bank shall have no liability by virtue of actions taken in compliance with this provision.

The Bank is not obligated to pay interest on any money received by it under this Agreement.

This Agreement relates solely to money deposited for the purposes described herein, and the parties agree that the Bank may serve as depository for other funds of the Issuer, act as trustee under indentures authorizing other bond transactions of the Issuer, or act in any other capacity not in conflict with its duties hereunder.

Section 5.06 Indemnification. To the extent permitted by law, the Issuer agrees to indemnify the Bank for, and hold it harmless against, any loss, liability, or expense incurred without negligence or bad faith on its part, arising out of or in connection with its acceptance or administration of its duties hereunder, including the cost and expense against any claim or liability in connection with the exercise or performance of any of its powers or duties under this Agreement.

Section 5.07 Interpleader. The Issuer and the Bank agree that the Bank may seek adjudication of any adverse claim, demand, or controversy over its person as well as funds on deposit, in either a Federal or State District Court located in the state and county where the administrative office of the Issuer is located, and agree that service of process by certified or registered mail, return receipt requested, to the address referred to in Section 6.03 of this Agreement shall constitute adequate service. The Issuer and the Bank further agree that the Bank has the right to file a Bill of Interpleader in any court of competent jurisdiction in the State of Texas to determine the rights of any Person claiming any interest herein.

Section 5.08 DTC Services. It is hereby represented and warranted that, in the event the Securities are otherwise qualified and accepted for “Depository Trust Company” services or equivalent depository trust services by other organizations, the Bank has the capability and, to the extent within its control, will comply with the “Operational Arrangements”, which establishes requirements for securities to be eligible for such type depository trust services, including, but not limited to, requirements for the timeliness of payments and funds availability, transfer turnaround time, and notification of redemptions and calls.

ARTICLE SIX MISCELLANEOUS PROVISIONS

Section 6.01 Amendment. This Agreement may be amended only by an agreement in writing signed by both of the parties hereto.

Section 6.02 Assignment. This Agreement may not be assigned by either party without the prior written consent of the other.

Section 6.03 Notices. Any request, demand, authorization, direction, notice, consent, waiver, or other document provided or permitted hereby to be given or furnished to the Issuer or the Bank shall be mailed or delivered to the Issuer or the Bank, respectively, at the addresses shown on the signature page(s) hereof.

Section 6.04 Effect of Headings. The Article and Section headings herein are for convenience of reference only and shall not affect the construction hereof.

Section 6.05 Successors and Assigns. All covenants and agreements herein by the Issuer shall bind its successors and assigns, whether so expressed or not.

Section 6.06 Severability. In case any provision herein shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 6.07 Merger, Conversion, Consolidation, or Succession. Any corporation or association into which the Bank may be merged or converted or with which it may be consolidated, or any corporation or association resulting from any merger, conversion, or consolidation to which the Bank shall be a party, or any corporation or association succeeding to all or substantially all of the corporate trust business of the Bank shall be the successor of the Bank as Paying Agent under this Agreement without the execution or filing of any paper or any further act on the part of either parties hereto.

Section 6.08 Benefits of Agreement. Nothing herein, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, any benefit or any legal or equitable right, remedy, or claim hereunder.

Section 6.09 Entire Agreement. This Agreement and the Authorizing Document constitute the entire agreement between the parties hereto relative to the Bank acting as Paying Agent/Registrar and if any conflict exists between this Agreement and the Authorizing Document, the Authorizing Document shall govern.

Section 6.10 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall constitute one and the same Agreement.

Section 6.11 Termination. This Agreement will terminate (i) on the date of final payment of the principal of and interest on the Securities to the Holders thereof or (ii) may be earlier terminated by either party upon sixty (60) days written notice; provided, however, an early termination of this Agreement by either party shall not be effective until (a) a successor Paying Agent/Registrar has been appointed by the Issuer and such appointment accepted and (b) notice has been given to the Holders of the Securities of the appointment of a successor Paying Agent/Registrar. However, if the Issuer fails to appoint a successor Paying Agent/Registrar within a reasonable time, the Bank may petition a court of competent jurisdiction within the State of Texas to appoint a successor. Furthermore, the Bank and the Issuer mutually agree that the effective date of an early termination of this Agreement shall not occur at any time which would disrupt, delay or otherwise adversely affect the payment of the Securities.

Upon an early termination of this Agreement, the Bank agrees to promptly transfer and deliver the Security Register (or a copy thereof), together with the other pertinent books and records relating to the Securities, to the successor Paying Agent/Registrar designated and appointed by the Issuer.

The provisions of Section 1.02 and of Article Five shall survive and remain in full force and effect following the termination of this Agreement.

Section 6.12 Iran, Sudan and Foreign Terrorist Organizations. The Bank represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Government Code. The foregoing representation excludes the Bank and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively

declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The Bank understands “affiliate” to mean any entity that controls, is controlled by, or is under common control with the Bank within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. .

Notwithstanding anything contained herein, the representation contained in this Section shall survive termination of this Agreement until the statute of limitations has run.

Section 6.13 Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Texas.

[Remainder of page left blank intentionally.]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

By: _____

Title: _____

Address: _____

GREATER TEXOMA UTILITY AUTHORITY

By: _____
Pricing Officer

Address: 5100 Airport Drive
Denison, Texas 75020

ANNEX A
FEE SCHEDULE

EXHIBIT B

Contract For Water Supply and Sewer Service

CONTRACT FOR WATER SUPPLY AND SEWER SERVICE

THE STATE OF TEXAS

THE COUNTY OF GRAYSON

THIS AGREEMENT is made and entered into as of March 1, 1985, between the GREATER TEXOMA UTILITY AUTHORITY (hereinafter referred to as the "Authority"), a conservation and reclamation Authority, a governmental agency, a political subdivision of the State of Texas, and a body politic corporate, duly created, existing and acting by virtue of Chapter 97, Acts of the 66th Legislature of Texas, Regular Session, 1979, as amended, (the "Act") and the CITY OF SHERMAN, TEXAS, a municipal corporation in the County of Grayson, Texas (hereinafter referred to as the "City") duly created and existing under the laws of the State of Texas:

W I T N E S S E T H:

WHEREAS, the Authority, acting pursuant to the Act, proposes to issue its bonds for the purpose of providing (i) certain sanitary sewer collection and treatment facilities for use by the City, and (ii) an additional supply of water to the City and certain water supply facilities in order to store and transport such water to the City; and

WHEREAS, certain revenues to be received by the Authority from the City under this Agreement are to be pledged to the payment and security of the bonds to be issued by the Authority and will constitute the basis for the Authority's credit in financing such facilities; and

WHEREAS, the Authority and the City, acting through their duly constituted governing bodies, have mutually agreed upon the terms and conditions of this Agreement; now, therefore,

IN CONSIDERATION of the mutual covenants, agreements and undertakings herein set forth, the parties hereto hereby agree and contract as follows:

Definitions

SECTION 1.01: Unless the context shall indicate a contrary meaning or intent, the terms below defined, for all purposes of this contract and any contract amendatory or supplemental to this contract, shall be construed or used and are intended to have meanings as follows:

- (a) "Authority" shall mean the Greater Texoma Utility Authority, or its successor.
- (b) "Board" and "Board of Directors" shall mean the Board of Directors of the Authority.
- (c) "Bond Resolution" shall mean any resolution of the Board of Directors authorizing the issuance of the Bonds and providing for their security and payment, as such resolution(s) may be amended from time to time as therein permitted, where the proceeds from the sale of the Bonds will be used to discharge the cost of the Project.
- (d) "Bonds" shall mean any bonds to be issued by the Authority for the purpose of providing funds to pay the necessary costs of the Project, whether in one or more series or issues, or any bonds issued to refund same.
- (e) "City" shall mean the City of Sherman, Texas.
- (f) "Cost of the Project" shall mean, with respect to the Water Project or the Sewer Project, all cost and expense incurred in connection with the acquisition, construction, improvements, enlargement, extension and repair of the Project, including, without limiting the generality of the foregoing, the cost of the acquisition of all land, rights-of-way, property rights, easements, and interests, the cost of all machinery and equipment, financing charges, interest and administrative expenses expected to accrue during the period of construction, the funding of any reserve funds created by the Bond Resolution(s), cost of estimates and of engineering and legal services, plans, specifications, surveys, estimates of cost and of revenue, other expenses necessary or incident to determining the feasibility and practicability of acquiring, constructing, improving, enlarging, extending, or repairing the Project, and such other expense as may be necessary or incident to the acquisition, construction, improvement, enlargement, extension or repair of the Project and all legal fees, printing and other cost, fees and expenses necessary for or incident to the issuance of the Bonds.
- (g) "Engineer" shall mean a registered, professional engineer (who may be the City Engineer or the Authority's Engineer). The City and Authority agree that the Engineer may be a

different firm on different aspects of the Project; that the Engineers (and the scope of their work) are set forth in Exhibit A; and that the Project will be acquired, constructed, improved, enlarged, extended and repaired in accordance with the plans and specifications prepared under the supervision of the Engineer. It is further agreed that an Engineer may be changed or added and the scope of duties adjusted by the Authority, subject to the consent of the City.

- (h) "Fiscal Year" shall mean the twelve month operating period (under this Agreement) commencing October 1st of each year, provided such twelve month period may be changed one time in any three calendar year period by agreement of the Authority and the City (which agreement, if made, shall be attached hereto as an exhibit).
- (i) "Maintenance and Operation Expense of the Project" shall mean the expense of maintenance and operation of the Project including all salaries, labor, materials, interest, repairs, and replacements necessary to render efficient service, or which might be necessary to meet some physical accident or condition which would otherwise impair the security of the Bonds. Such term shall not include depreciation.
- (j) "Operator" shall mean the party to this contract who is designated (in Exhibit B) as the party responsible for the act to be performed.
- (k) "Project" shall mean, collectively, the Water Project and the Sewer Project.
- (l) "Sewer Project" shall mean the sanitary sewer facilities which are to be (i) constructed or acquired in order to meet the contractual obligations hereunder, and (ii) financed by the Authority through the issuance of bonds or other obligations, to the extent the same are payable from the money paid or required to be paid by the City under this Agreement, or obtained as grant funds, from any source, for the purpose of paying all or part of the cost of the Project described in Exhibit C (as now or hereafter amended).

- (u) "Water Project" shall mean the water supply, storage and transmission facilities which are to be (i) constructed or acquired in order to meet the contractual obligations hereunder and (ii) financed by the Authority through the issuance of bonds or other obligations, to the extent the same are payable from the moneys paid or required to be paid by the City under this Agreement or obtained as grant funds, from any source; for the purpose of paying all or part of the cost of the Project described in Exhibit "D" (as now or hereafter amended).

ARTICLE II

Representations and Agreements

SECTION 2.01: The City's Representations and Agreements. In connection with its undertakings hereunder, the City represents to the Authority and agrees with the Authority as follows:

- (a) In its capacity as a duly incorporated City of Texas, it is empowered under applicable laws of Texas, particularly under the Interlocal Cooperation Act, to enter into the engagements prescribed for it under this agreement and to perform all obligations which may result therefrom, and its governing body has duly authorized execution of this contract.
- (b) It will timely pay to the Authority the full amount it is required to pay under the provisions of this contract for the services supplied by the Project.
- (c) That it will plan, construct, maintain, operate and finance its own utility system and set retail rates to individual customers for water and sanitary sewer services adequate to pay all City obligations secured by and made payable from the revenues derived from the operation of the City's combined Water and Sanitary Sewer System.
- (d) That it will cooperate with the Authority in the performance of the duties and responsibilities assigned to the Authority by this contract.

SECTION 2.02: Representations and Agreements of Authority.
In connection with its undertakings hereunder, the Authority represents to the City and agrees with the City as follows:

- (a) In its capacity as a conservation and reclamation Authority created by the Act, pursuant to Article XIV, Section 59 of the Texas Constitution, it is empowered under applicable laws of the State of Texas, particularly under the Interlocal Cooperation Act and the Texas Water Code, to enter into the engagements prescribed for it under this agreement and to perform all obligations which may result therefrom, and its governing body has duly authorized execution of this contract.
- (b) That it will finance all costs of the Project not provided by the City and any grant secured for the construction of the Project.

SECTION 2.03: Construction. The Operator agrees to assume responsibility for the construction of the Project and the Authority will enter into such contracts as are necessary to provide the Project. To this end, the Authority and the City agree that:

- (a) Unless otherwise agreed by the parties, the Operator shall be responsible for the preparation of final plans and specifications for the Project.
- (b) Final plans and specifications for the Project shall be subject to the approval of the Authority and the City.
- (c) All construction contracts shall be let and awarded pursuant to the laws applicable to the Authority.
- (d) The Authority shall let and award all construction contracts, subject to the approval of each contract by the City.
- (e) The Authority shall deposit from the proceeds from the sale of its Bonds in a special Construction Fund to be created and established by the Bond Resolution(s), an amount of money which shall be specified in said Bond Resolution(s). The Authority shall draw on and use said Construction Fund to pay the cost of acquiring, constructing, improving, extending, enlarging and repairing the Project.

- (f) Unless otherwise agreed by the parties, the Operator shall be responsible for the acquisition of all land, rights-of-way, property rights, easements and interest required to provide the Project, subject to the approval of the City and the Authority.

ARTICLE III

Fiscal Matters

SECTION 3.01: Payment for Service. The Authority will provide from the proceeds received through the issuance and sale of its Bonds such funds as are necessary, when coupled with any funds or property provided by the City and any grant received for the purpose of providing all or part of the Project. It is agreed that the City and its customers shall have the exclusive use of the entire Project for the useful life of the Project. In consideration for the Authority's obligation hereunder, the City recognizes and agrees that the Authority will acquire an undivided interest in the Project equivalent to the percentage of the total cost of the Project provided by the Authority through the issuance and sale of its Bonds. It is further agreed that the City's obligations to make any and all payments specified in this Article will terminate when all of the Authority's Bonds issued in connection with the Project have been paid in full and retired and are no longer outstanding. It is further understood and agreed that the Authority's only source of funds to pay the principal of and interest on its Bonds is from the payments to be made by the City to the Authority under this contract, and the City agrees that it will make to the Authority the following payments:

- (a) Monthly amortization payment -- Such amounts, payable monthly on or before the 25th day of each month, in approximately equal installments, as are necessary to pay (i) the principal coming due on the Authority's Bonds on the next succeeding principal payment date; (ii) the interest coming due on the Authority's Bonds on the next succeeding interest payment date; and, (iii) the fees and charges of the Paying Agent(s) for paying or redeeming the Bonds and interest thereon coming due on each applicable date.
- (b) Reserve Fund Payment -- Such amount as is required to be paid into the Reserve Fund from the Revenue Fund (out of payments to be made by the City) under the Bond Resolution in order to establish, maintain or replenish the Reserve for the security and payment of Bonds similarly secured.

- (c) Administrative Payment -- An amount sufficient to pay the administrative and overhead expenses of the Authority, directly attributable and chargeable to the Bonds and the Project, including the cost of routine annual accounting reports.
- (d) Extraordinary Expense Payment -- Such amounts, as are necessary to pay, or reimburse the Authority for any extraordinary or unexpected expenses or costs reasonably and necessarily incurred by the Authority in connection with the Bonds and the Project, such as expenses of litigation, if any, and costs of special studies and special professional services, if and when required by any governmental directive or regulation or as may be agreed between City and Authority.
- (e) The cost of Maintenance and Operation of the Project (for which provision is made in Section 3.03) if the Authority is the Operator under that Section.

SECTION 3.02: Time for Making of Payments. The City agrees to make the payments required by Section 3.01 at the times hereafter specified:

- (a) Monthly Amortization Payments -- the City shall commence making monthly amortization payments at such time as any amount required by the Bond Resolution(s) to be deposited into an escrow account for the payment of interest on the Bonds during the Project construction period has been fully exhausted, provided that such payments shall commence in no event later than the earlier of (i) twelve months prior to the first principal payment date specified in the Bond Resolution(s), or (ii) six months prior to the first interest payment date for which monies are not set aside for the payment of the interest coming due on such date from the proceeds of the Bonds. Monthly amortization payments shall continue to be made throughout the term of the contract and shall be adjusted by the City so as to provide for the accumulation of the full amount of debt service requirements (principal, interest and paying agent fees due on any given payment date) on or before the first day of the month such debt service requirements become due.

- (b) Reserve Fund Payment -- the City shall commence making these payments on the 25th day of a month, as may be provided in the Bond Resolution, after the delivery of the initial series of Bonds to provide the project, and upon the issuance of additional Bonds, shall increase the payments in accordance with the Resolution authorizing such Bonds.
- (c) Administrative Payment -- the City shall commence making the administrative payment on the 10th day following the effective date of this Contract, and thereafter such payment shall be made on the 25th day of each month thereafter throughout the term of this contract.
- (d) Extraordinary Expense Payment -- the City shall make any extraordinary expense payment immediately upon receipt of the statement therefor.
- (e) Maintenance and Operating Expenses: (i) if the City is designated as the Operator under Section 3.03, such expenses shall be paid by the City as the same become due; or (ii) if the Authority is designated as the Operator under section 3.03, the City shall pay (up to the amount annually budgeted for such expenses) the amount which the Authority determines shall be required in such months, such payments to be made on or before the 25th day of each month after the project becomes operational. The annual budget shall be prepared by the Authority at least thirty (30) days prior to the date the project is to become operational, or, thereafter prior to the beginning of each fiscal year; the budget shall then be submitted to the City which may indicate exceptions or suggestions, which shall then be considered by the Board. If an annual budget is found to be insufficient or excessive, the parties agree the same shall be taken into consideration by an amendment, as well as the budget for the following year, with the view that additional payments shall be made or credit shall be given so that expenditures match receipts over the fiscal year or an adjustment is made in the following month.

SECTION 3.03: Maintenance and Operation of the Project.
Unless otherwise agreed by the parties, it is agreed that the Operator will be responsible for maintaining and operating the Project for the entire term of this Contract, and shall

pay all costs and expenses incurred in regard to the maintenance and operation of the Project. The Operator hereby agrees and covenants to operate and maintain the Project in accordance with accepted good business and engineering practices and in accordance with all applicable federal and state laws, including any rules and regulations issued by appropriate agencies in the administration of said laws. If the City is the Operator under this section, the City agrees to indemnify and to save and hold harmless the Authority from any and all claims, damages, losses, costs and expenses, including reasonable attorney fees, arising at any time from the acquisition, existence, ownership, operation and maintenance of the Project.

SECTION 3.04: Insurance. The Operator specifically agrees to carry fire, casualty, public liability, or other insurance on the Project for purposes and in amount which would ordinarily be carried by a municipal corporation owning and operating such facilities. Such insurance will provide, to the extent feasible and practicable, for the restoration of damaged or destroyed properties and equipment so as to minimize the interruption of services of such facilities. All premiums for such insurance shall constitute a maintenance and operation expense of the Project.

SECTION 3.05: Covenant of Timely Payment. The city covenants that it will timely make (i) the monthly amortization payments and (ii) the additional payments specified hereunder in accordance with the provisions of this contract as the same shall become due and payable, irrespective of whether service of the Project has been abandoned or discontinued, or if the Project has been rendered wholly or partially unuseful by reason for "force majeure". The City recognizes the fact that the Authority will use the payment received from the City hereunder to pay, secure and finance the issuance of the Bonds, and the holders of the Bonds shall be entitled to rely on the foregoing covenant of payment regardless of any other agreement that may exist between the Authority and the City.

SECTION 3.06: Late Payment Penalty. Should the city fail to make any payment at the times herein specified, interest on such amounts shall accrue at the rate of ten per centum (10%) per annum from the date such payment becomes due until paid in full with interest as herein specified. In the event such payment is not made within sixty (60) days from the date such payment becomes due, the Authority may institute a proceeding for a mandatory injunction requiring the payment of the amount due and interest thereon, such action to be instituted in a court of competent jurisdiction.

SECTION 3.07: Priority of Charges - City to Fix Adequate Rates.

- (a) The City represents and covenants that all payments to be made by it hereunder shall constitute "operating expenses" of the City's combined Water and Sanitary Sewer System.
- (b) The City further agrees to fix and collect such rates and charges for water and sanitary sewer services to its customers as will make possible the prompt payment of all expenses of operating and maintaining its combined Water and Sewer System, including all payments, obligations and indemnities contracted hereunder.

SECTION 3.08: Nature of Obligation of City. The payments required to be made by the City under the terms of this Contract shall be due and payable in any and all events regardless of whether there shall be, for any reason, a delay in the completion of all or any part of the Project and regardless of whether the Project shall have been wholly or partially destroyed or damaged. The agreements of the City shall be and are separate and independent covenants and the City shall have no rights of setoff, recoupment, or counterclaim. The Authority shall never have the right to demand payment of any amounts due hereunder by the City out of funds raised or to be raised by taxation. Any obligations assumed or imposed on either party hereto shall never be construed to be a debt of such party of a kind that would require it to levy and collect taxes to discharge any such obligation, it being expressly understood by the parties hereto that the funds required for all payments due from the City pursuant to this Contract are to be collected from the sources referenced herein, and by no other.

ARTICLE IV

Miscellaneous Provisions

SECTION 4.01: Contract Term. The obligation of the City to promptly make all prescribed payments shall commence with the delivery of the first series of Bonds issued to fund the cost of the Project and continue for the period during which the Bonds are outstanding and unpaid.

SECTION 4.02: Useful Life of Project. The City and Authority agree and mutually find that the anticipated useful life of the Project equals or exceeds the period specified in the Bond Resolution(s) for the maturity of all Bonds authorized to be issued.

SECTION 4.03: Abandonment of Use of Project. It is specifically recognized by the parties hereto that, the City, during the term of this contract, may acquire other sewer facilities so as to make the continued operation of the Project uneconomical so it will be to the best interest of the parties to discontinue the operation of the Project.

Should the City choose to discontinue the operation of all or part of the Project, the City shall have the exclusive right to the salvage of all of the properties and improvements constituting the Project so discontinued. Any cost of salvage will be a maintenance and operating expense of the City, and any money realized from such salvage will serve as a reduction of such expense. The City shall retain the use of the land where the Project is situated and all remaining improvements thereon for its corporate purposes.

The abandonment of the use of the Project shall have no effect upon the obligations of the City to the Authority provided for by this contract and all payments provided for by this contract shall remain obligations of the City of the same nature as provided for by this contract.

SECTION 4.04: Modification of Provisions. This contract may be changed and modified only with the consent of the governing bodies of all parties signatory. Such modification may be requested by either party, in which event a joint meeting of the governing bodies or of their duly authorized and appointed representatives shall be held not less than thirty (30) days after the giving of such notice. At such joint meeting, the suggested changes or modifications shall be considered, discussed and settled. No such change or modification may be made which will affect adversely the payment when due of all monies required to be paid by the City under the terms of this contract and no such change will be effective which affects adversely or causes a violation of any covenants contained in the Bond Resolution(s).

If for any reason the City may desire the construction of additional facilities over and above those now contemplated, and provided that same are within the legal and economic capabilities of the Authority, provision therefor shall be made by means of a supplement hereto, the terms of which are to be negotiated between the City and the Authority.

SECTION 4.05: Regulatory Provisions. This contract shall be subject to all valid rules, regulations and laws applicable thereto, as promulgated by the United States of America, the State of Texas, or any other governmental body or agency having lawful jurisdiction or any authorized representative or agency of any of them.

SECTION 4.06: Taxes. In the event any sales or use taxes, or taxes of any nature, are hereafter imposed upon the Project, or the Authority, on account of the acquisition, existence, ownership, operation and maintenance of the Project, the amount of such taxes shall be treated as operating expenses of the Project.

SECTION 4.07: Title to Water and Sewage. Title to all water and sewage put into the Project under this agreement shall be in the city.

SECTION 4.08: Notices. Any notice, request, demand, statement or bill provided for in this agreement shall be in writing and shall be considered to have been duly delivered when sent by registered mail, addressed as follows:

To the Authority: 5100 Airport Drive
Denison, Texas 75020
Attention: President, Board of
Directors

To the city: City Hall
P. O. Box 1106
Sherman, Texas 75090
Attention: Mayor, City of Sherman

As the case may be, except that routine communications may be sent by ordinary mail and except that either party, by the filing of an appropriate written notice to the other, may specify some other individual to whom communications thereafter are to be addressed.

SECTION 4.09: Covenant to Enforce Contractual Obligations. The Authority covenants that it will enforce the obligations of the City hereunder as may be required to accomplish the purpose of this contract. Either party may enforce any obligations hereunder owed to it by the other party.

SECTION 4.10: Consequences of City Default. The Authority and the City agree that in the event of default or threatened default, in the payment of principal or interest on the Bonds, any court of competent jurisdiction upon petition of the holders of twenty-five percent (25%) of the principal amount of the then outstanding Bonds of the Authority shall appoint a receiver with authority to collect and receive all resources pledged to the payment of the Bonds, enforce all rights arising from default, if any, by the City in making payment under this contract, and take charge of the pledged funds on hand and manage the proprietary affairs of the Authority insofar as such affairs relate to the

Project. The court may further vest the receiver with such powers and duties as the court may find necessary for the protection of the holders of the Bonds.

SECTION 4.11: Further Agreements of the Parties. The parties hereto specifically recognize that the City has heretofore issued, sold and delivered revenue bonds that are payable from and secured by a lien on and pledge of the net revenue of its combined Water and Sanitary Sewer System; that the bonds so issued and delivered (which remain outstanding) are fully described in Exhibit E.

The City represents to the Authority:

- (a) There is no provision in the ordinances authorizing the issuance of such revenue bonds which prohibits the City from entering into and executing this contract.
- (b) The execution of this contract and the operation thereunder will not in any way impair the obligation of contract by and between the City and the owners of its outstanding Bonds payable from revenues of its Water and Sanitary Sewer System since the Project is in furtherance of governmental policy, not inconsistent with the existing contractual obligations of the City.

SECTION 4.12: Control of Project by Operator. The parties hereto recognize and it is specifically agreed that after completion of the Project and during the term of this contract, the Operator shall have the exclusive right to the use and utilization of the Project, for the benefit of the City; that the Operator without hindrance from the Authority or the City, or the employees or other agents of either of them, may operate, maintain, repair, enlarge, improve, extend, provide for additions to or otherwise control, manage and keep up the said Project.

Except as specified in this Article, the abandonment of the use of all or part of such Project has no effect upon the obligations of the parties.

SECTION 4.13: Force Majeure:

- (a) If for any reason of "force majeure" either of the parties hereto shall be rendered unable wholly or in part to carry out its obligations under this Agreement, other than the obligation of City to make the payments required under the terms of Section 3.01 hereof, then if such party shall

give notice and full particulars of such reasons in writing to the other party within a reasonable time after the occurrence of the event, or cause relied on, the obligation of the party giving such notice, so far as it is affected by such "force majeure" shall be suspended during the continuance of the inability then claimed, but for no longer period, and any such parties shall endeavor to remove or overcome such inability with all reasonable dispatch. The term "force majeure" as employed herein shall mean acts of God, strikes, lock-outs, or other industrial disturbances, acts of a public enemy, orders or actions of any kind of the Government of the United States of America or of the State of Texas or any civil or military authority, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, storms, floods, washouts, droughts, arrests, restraints of government and people, civil disturbances, explosions, breakages or accident to dams, machinery, partial or entire failure of water supply and inability on the part of the Authority to deliver water hereunder or to provide sewage treatment or of the City to receive water or to deliver sewage treatment, on account of any other cause not reasonably within the control of the party claiming such inability. It is understood and agreed that the settlement of strikes and lockouts shall be entirely within the discretion of the party having the difficulty, and that the above requirement that any force majeure shall be remedied with all reasonable dispatch, shall not require the settlement of strikes and lockouts by acceding to the demands of the opposing parties when such settlement is unfavorable to it in the judgment of the party having the difficulty. No failure of Authority to meet any obligation by reason for force majeure shall relieve the City from its obligations to make the payments required under the terms of Section 3.01 hereof.

(b) No damage shall be recoverable from Authority by reason of the suspension of the operation of the Project due to any of the causes above mentioned. If Operator's ability to operate the Project is affected by any of such causes, the Operator shall promptly notify the other party in writing giving the particulars as soon as practicable after the occurrence of the cause or causes for such interruption.

(c) It is expressly recognized by City that the Operator may be compelled to make necessary alterations, repairs or extensions of new or additional facilities from time to time during the life of this Agreement and any suspensions of the operation of the Project due to such operation shall not be cause for claim of damage on part of the Operator provided all reasonable effort is used by the Operator to provide City with the service afforded by the Project in accordance with this Agreement. In such case, the Operator shall give

the other party as much advance notice as may be practicable of the suspension of operation and of the estimated duration thereof.

SECTION 4.14: Easements. City agrees that Authority may have such easements over any easements, right of way or property held by City so that the facilities herein anticipated and the placement thereof and of all required equipment may be appropriately provided.

SECTION 4.15: Bond Approval by the City.

- (a) Prior to the issuance and delivery of any bonds which are: (i) payable as to principal, interest or redemption premium out of the debt service payments, or (ii) to provide facilities or service or any item which is to be maintained by the Authority utilizing any part of the base monthly payments, the City shall approve the issuance thereof as provided in this section.
- (b) If the bonds are to be sold at a public sale, the governing body of the City shall, by resolution, approve (i) the "Notice of Sale" issued or proposed to be issued by the Authority prior to their delivery; and, (ii) the facilities to be constructed or acquired; if the bonds are refunding bonds, the governing body of the City shall, by resolution, approve either (i) the form of purchase contract or (ii) the resolution authorizing the issuance of the refunding bonds.
- (c) If the bonds are to be exchanged for property or services, the governing body of the City shall, by resolution, approve (i) the resolution adopted by the governing body of the Authority which authorizes the issuance of such bonds; and, (ii) the facilities to be constructed or acquired, or the services to be provided.

SECTION 4.16: Effective Date of this Contract. (a) The parties hereto, and the Texas Water Development Board, by virtue of its approval evidenced by the signature of the Development Fund Manager appearing hereon, recognize this Contract is an amendment to and replacement of a "Water Supply Contract" dated June 1, 1980, and a "Sewer Service Contract" dated as of October 1, 1981, (the "prior contracts"). Upon the effective date of this Contract, the prior contracts and their effect shall cease to be of effect.

(b) This Contract shall be effective and be in full force and effect at such time as:

(1) The Board of Directors of the Authority has adopted a resolution authorizing the issuance of bonds, to refund the outstanding bonds of the Authority described as:

- (i) "Greater Texoma Municipal Utility District Revenue Bonds, Series 1981 - City of Sherman Water Supply";
- (ii) "Greater Texoma Municipal Utility District Revenue Bonds, Series 1982-A - City of Sherman Sewer Service"; and
- (iii) "Greater Texoma Utility Authority Revenue Bonds, Series 1983 - City of Sherman Sewer Service"

and the Attorney General of Texas has approved such refundings bonds; and

(2) The Development Fund Manager of the Texas Water Development Board has consented to the execution of this Contract, as evidenced by his signature appearing hereon.

SECTION 4.17: Waiverability. The parties hereto agree that if any of the provisions of this Agreement contravene or be held invalid under the laws of the State, same shall not invalidate the whole Agreement but it shall be construed as through not containing that particular provision and the rights and obligations of the parties shall be construed and in force accordingly.

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

GREATER TEXOMA UTILITY AUTHORITY

By: Robert B. Smith
President, Board of
Directors

ATTEST:

James M. Massey
Secretary, Board of Directors
(Authority Seal)

CITY OF SHERMAN, TEXAS

BY: *[Signature]*
Mayor, City of Sherman

ATTEST:

[Signature]
City Clerk, City of Sherman

APPROVED AS TO LEGAL FORM:

[Signature]
City Attorney, City of Sherman

(City Seal)

The Development Fund Manager of the Texas Water Development Board has consented to the execution of this Contract as authorized by the Texas Water Development Board on July 21, 1983.

[Signature]
Development Fund Manager

EXHIBIT A – SUPPLEMENTAL PROJECT

City of Sherman Wastewater Project

Engineer:

J. Terry Millican
Freeman-Millican, Inc.
9500 Forest Lane, Suite 201
Dallas, TX 75243

(214) 503-0555
(214) 503-1148 (fax)

EXHIBIT A
SUPPLEMENTAL PROJECT (2009)

ENGINEER

U.S. 75 North Sewer Project

Freeman-Millican, Inc.
12225 Greenville Ave., Suite 121
Dallas, TX 75253

EXHIBIT B – SUPPLEMENTAL PROJECT (2009)

City of Sherman

EXHIBIT C – SUPPLEMENTAL PROJECT

Wastewater Project Description

Construction of the North Central relief Sanitary, Sewer and purchase and installation of ultraviolet equipment for the Sherman wastewater treatment plant.

EXHIBIT C-1 – SUPPLEMENTAL PROJECT

Project Description

The sewer system improvements project for the City of Sherman involves improvements to the biological capacity of the wastewater treatment plant, adding a third aeration basin; and construction of Relief Sewer C in the south central portion of the City of Sherman.

EXHIBIT C-2 – SUPPLEMENTAL PROJECT

Project Description

The construction, acquisition and improvement of wastewater system facilities and necessary appurtenances for use by the City of Sherman, to wit: construction of the North Central Relief Sanitary Sewer and purchase and installation of ultraviolet equipment for the Sherman wastewater treatment plant.

EXHIBIT C-3 – SUPPLEMENTAL PROJECT

Project Description (2008)

Wastewater Treatment Plant Digester Rehabilitation consisting of replacement of compressors, piping, burners, ancillary equipment, and other appurtenances as necessary in sludge digesters; Major Sewer Rehabilitation - Relief Sewer K-4 Phase 1, consisting of construction of relief sewer between McGee Street and Lamberth Road; and Major Sewer Rehabilitation, consisting of sewer mains along US Highway 75 corridor to FM 691, including lift stations and other appurtenances as necessary.

EXHIBIT C-4 - SUPPLEMENTAL PROJECT

PROJECT DESCRIPTION (2009)

Major sewer rehabilitation, consisting of sewer mains along US Highway 75 North of the City of Sherman, including lift stations and other appurtenances as necessary.

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EXHIBIT C-5 - SUPPLEMENTAL PROJECT

PROJECT DESCRIPTION (2009-A)

Wastewater Treatment Plant Improvements:

The improvements to the wastewater treatment plant include two digester roof projects, a primary clarifier rehabilitation and a fine screen installation, and other appurtenances as necessary.

Relief Sewers:

Relief Sewer C-1 will replace an existing sewer main that is deteriorated and has infiltration problems. Relief Sewer K-4 replaces a deteriorated sewer line that is also experiencing infiltration problems, and other appurtenances as necessary.

EXHIBIT C-6 – SUPPLEMENTAL PROJECT (2012)

Project Description

Wastewater

Modifications to the Sherman wastewater treatment plant headworks, including upgrading the variable frequency drive pumps, Phases I and II; East Side Lift Station engineering and design; biosolids engineering, design and construction; relief headworks preliminary engineering and design and storm water storage contingency.

EXHIBIT C-7 – SUPPLEMENTAL PROJECT (2013)

Project Description

Wastewater Treatment Plant Improvements

Improvements to the wastewater treatment plant, including biosolids engineering, design and construction.

Sewers

Construction of Blalock Industrial sewer replacement, all other appurtenances as necessary, and construction of SH289 Sewer Line A and other appurtenances as necessary.

EXHIBIT C-8 – SUPPLEMENTAL PROJECT (2013-A)

WASTEWATER PROJECT DESCRIPTION

Wastewater Treatment Plant Improvements

Relief Headworks Engineering and Construction

Sewers

Construction of South Sherman Relief Sewer and other appurtenances as necessary.

EXHIBIT C-9 – SUPPLEMENTAL PROJECT (2014)

WASTEWATER PROJECT DESCRIPTION

Wastewater Treatment Plant Improvements

Upgrading the UV disinfection system to replace sensors, control elements and other equipment as necessary with more reliable components, reconstructing the head works for lift station.

Wastewater Collection System

Replacement of existing 12" and 18" sewer and new 18" sewer main.

EXHIBIT C-10 – SUPPLEMENTAL PROJECT (2015-A)

Project Description (Sewer)

The construction, acquisition, and improvement of sewer system facilities and necessary appurtenances for use by the City of Sherman, Texas (the "City"), including the construction of improvements to the wastewater treatment plant head works life station and electrical upgrade improvements and other appurtenances as necessary

EXHIBIT C-11 – SUPPLEMENTAL PROJECT (2017A)

Project Description (Sewer)

construction, acquisition, and improvement of sewer system facilities and necessary appurtenances for use by the City of Sherman, Texas (the "City"), including the planning, acquisition, design and construction of sewer lines, and other appurtenances as necessary

EXHIBIT C-12 – SUPPLEMENTAL PROJECT (2019)

Project Description (Sewer)

Sewer System Improvements to include construction and professional services associated with improvements to the wastewater treatment plant, including the aeration basin, biological clarifier, control building, and storm water lift station; construction and professional services associated with sewer line construction projects, including the construction of the Northwest Sewer, Sewer between Rosedale and First, and Moore Street Sewer and appurtenances and other costs as necessary for such sewer system improvements.

EXHIBIT C-13 – SUPPLEMENTAL PROJECT (2020)

Project Description (Sewer)

construction, acquisition, and improvement of wastewater system facilities and necessary appurtenances for use by the City of Sherman, Texas (the "City"), including aeration basin upgrades, control building expansion, and rehabilitation to the biological clarifier, storm water lift station, equalization basin, primary clarifier No. 1, sludge pump station, and other appurtenances as necessary for wastewater treatment plant improvements, construction of a brine line from the water treatment plant to an existing lift station, and other appurtenances and costs to transport the water treatment plant reject water

EXHIBIT D -- SUPPLEMENTAL PROJECT

Water Project Description

None

EXHIBIT D-1 – SUPPLEMENTAL PROJECT

Project Description

The water system improvements project for the City of Sherman includes a major water transmission line from US 82 to Taylor Street.

EXHIBIT D-2 – SUPPLEMENTAL PROJECT

Project Description

City of Sherman various water line replacements and relocations, various water main extensions and various water main relocations and reconstructions and other water appurtenances as needed.

EXHIBIT D-3 – SUPPLEMENTAL PROJECT

WATER PROJECT DESCRIPTION (2008)

Construction of water line(s) along U. S. 75 from approximately U. S. 82 to FM 691, to including piping and all other appurtenances necessary for the construction of the water line.

EXHIBIT D-4 - SUPPLEMENTAL PROJECT (2011)

Water Project Description

Lake Texoma Pump Station Expansion including installation of two (2) 6,000 HP pumps along with necessary electrical, SCADA, and instrumentation equipment; installation of discharge piping, pump control valves, butterfly valves, and miscellaneous appurtenances; power improvements as needed to supply power to operate the new equipment; condition assessment modifications of Section 1 of the existing 72-inch Texoma Pipeline to upgrade condition and pressure capacity of pipe

EXHIBIT D-5 – SUPPLEMENTAL PROJECT (2012)

Project Description

Water

Construction of a second water transmission line from the water treatment plant to the distribution system (Phases I and II), including engineering, right of way and construction; modifications to the Lake Texoma Raw Water Pipeline to provide for cleaning facilities to clean zebra mussels from pipeline; and flocculation basin and piping relining.

EXHIBIT D-6 – SUPPLEMENTAL PROJECT (2015)

Project Description (Water)

The construction, acquisition, and improvement of water system facilities and necessary appurtenances for use by the City of Sherman, Texas (the "City"), including the planning, acquisition and design associated with the City of Sherman expansion and upgrade and expansion of the water treatment plant, disposal pipeline to the lift station located at the southwest corner of the intersection of U.S. 75 and FM 691 and other appurtenances as necessary

EXHIBIT D-7 – SUPPLEMENTAL PROJECT (2015B)

Project Description (Water)

construction, acquisition, and improvement of water system facilities and necessary appurtenances for use by the City of Sherman, Texas (the "City"), including the planning, acquisition, design and construction for a water treatment plant expansion and new elevated storage tank and other appurtenances as necessary,

EXHIBIT D-8 -- SUPPLEMENTAL PROJECT (2017)

Project Description (Water)

construction, acquisition, and improvement of water system facilities and necessary appurtenances for use by the City of Sherman, Texas (the "City"), including the planning, acquisition, design and construction for a water treatment plant, and other appurtenances as necessary

EXHIBIT D-9 – SUPPLEMENTAL PROJECT (2017A)

Project Description (Water)

construction, acquisition, and improvement of water system facilities and necessary appurtenances for use by the City of Sherman, Texas (the "City"), including the planning, acquisition, design and construction of water lines and rehabilitation of the Gallagher elevated storage tank, and other appurtenances as necessary

EXHIBIT D-10 – SUPPLEMENTAL PROJECT (2019)

Project Description (Water)

Water System Improvements to include construction and professional services associated with improvements to the construction of the water crossing under US 75 at Choctaw, and cathodic protection improvements at the Lake Texoma Pump Station; and appurtenances and other costs as necessary for such water system improvements.

EXHIBIT D-11 – SUPPLEMENTAL PROJECT (2019A)

Project Description (Water)

Construction, acquisition and improvement of water and sewer system facilities and necessary appurtenances for use by the City of Sherman, Texas and the payment of all costs incident and related to the acquisition and financing thereof.

EXHIBIT D-12 – SUPPLEMENTAL PROJECT (2021)

Project Description (Sewer)

Construction, acquisition and improvement of water and sewer system facilities and necessary appurtenances for use by the City of Sherman, Texas and the payment of all costs incident and related to the acquisition and financing thereof.

EXHIBIT D-13 – SUPPLEMENTAL PROJECT (2022)

Project Description (Water and Sewer)

Construction, acquisition, and improvement of water and sewer system facilities and necessary appurtenances for use by the City of Sherman, Texas (the “City”), and the acquisition of land and rights-of-way necessary therefor or incidental thereto, and the payment of all costs incident and related to the acquisition and financing thereof.

EXHIBIT D-14 – SUPPLEMENTAL PROJECT (2023)

Project Description (Water and Sewer)

Construction, acquisition, and improvement of water and sewer system facilities and necessary appurtenances for use by the City of Sherman, Texas (the “City”), and the acquisition of land and rights-of-way necessary therefor or incidental thereto, and the payment of all costs incident and related to the acquisition and financing thereof.

EXHIBIT D-15 – SUPPLEMENTAL PROJECT (2023A)

Project Description (Water and Sewer)

Construction, acquisition, and improvement of water and sewer system facilities and necessary appurtenances for use by the City of Sherman, Texas (the “City”), and the acquisition of land and rights-of-way necessary therefor or incidental thereto, and the payment of all costs incident and related to the acquisition and financing thereof.

EXHIBIT D-16 – SUPPLEMENTAL PROJECT (2024)

Project Description (Water and Sewer)

Construction, acquisition, and improvement of water and sewer system facilities and necessary appurtenances for use by the City of Sherman, Texas (the “City”), and the acquisition of land and rights-of-way necessary therefor or incidental thereto, and the payment of all costs incident and related to the acquisition and financing thereof.

EXHIBIT D-17 – SUPPLEMENTAL PROJECT (2024A)

Project Description (Water and Sewer)

Construction, acquisition, and improvement of water and sewer system facilities and necessary appurtenances for use by the City of Sherman, Texas (the “City”), and the acquisition of land and rights-of-way necessary therefor or incidental thereto, and the payment of all costs incident and related to the acquisition and financing thereof.

EXHIBIT E – SUPPLEMENTAL PROJECT (2009)

Outstanding Debt on the System

NONE

AGENDA ITEM XIV



GREATER TEXOMA UTILITY AUTHORITY

AGENDA COMMUNICATION

DATE: June 13, 2024

SUBJECT: AGENDA ITEM NO. XIV

PREPARED BY: Nichole Murphy, Sr. Project Manager

SUBMITTED BY: Paul M. Sigle, General Manager

CONSIDER AND ACT UPON A RESOLUTION APPROVING THE GREATER TEXOMA UTILITY AUTHORITY WATER CONSERVATION PLAN AND WATER RESOURCE AND EMERGENCY MANAGEMENT PLAN

ISSUE

Consider and act upon a resolution approving the Greater Texoma Utility Authority's Water Conservation Plan, Water Resource, and Emergency Management Plan.

BACKGROUND

The Texas Commission on Environmental Quality and the Texas Water Development Board require that the Greater Texoma Utility Authority ("Authority") update the Water Conservation Plan and Drought Contingency Plan by May 1, 2024. The contract between the North Texas Municipal Water District ("NTMWD") and the Authority requires that the Authority adopt a Water Conservation Plan and a Water Resource and Emergency Management Plan meeting criteria set out by the NTMWD.

CONSIDERATIONS

The Authority staff has drafted a Water Conservation Plan, Water Resource, and Emergency Management Plan for consideration by the Board of Directors. This Plan was drafted utilizing the model plans provided by the NTMWD, and will replace the Water Conservation, Drought Contingency, and Emergency Water Response Plan adopted April 2019. After submitting the plan adopted by the Board in April to NTMWD, NTMWD has requested numerous changes to the plan to meet their requirements. Authority Staff has made those requested changes and requesting the Board to adopt the updated plan.

STAFF RECOMMENDATIONS

Staff recommends the Board's adoption of the resolution approving the Greater Texoma Utility Authority Water Conservation Plan, Water Resource, and Emergency Management Plan

ATTACHMENTS

The Draft Water Conservation Plan, Water Resource, and Emergency Management Plan was email to the Board and is located on the website at <https://gtua.org/agendas-%26-packets>.

AGENDA ITEM XV



GREATER TEXOMA UTILITY AUTHORITY AGENDA COMMUNICATION

DATE: June 13, 2024

SUBJECT: AGENDA ITEM NO. XV

PREPARED BY AND SUBMITTED BY: Paul M. Sigle, General Manager

CONSIDER AND ACT UPON ENGAGEMENT LETTER WITH TERRILL AND WALDROP FOR LEGAL SERVICE RELATED TO WATER RIGHTS.

ISSUE

Consider and act upon engagement letter with Terrill and Waldrop for legal service related to water rights.

BACKGROUND

The Authority needs the assistance of specialized legal services to assist with the Authority's water rights and related issues. After discussion with multiple potential firms for the legal services, Howard Slobodin with Terrill and Waldrop was selected to assist the Authority with water rights.

CONSIDERATIONS

This item is to confirm the selection of the Terrill and Waldrop.

STAFF RECOMMENDATIONS

The Authority Staff recommends confirming the selection of Terrill and Waldrop for legal services related to water rights.

ATTACHMENT

A copy of the engagement letter was emailed to the Board

AGENDA ITEM XVI



GREATER TEXOMA UTILITY AUTHORITY AGENDA COMMUNICATION

DATE: June 13, 2024

SUBJECT: AGENDA ITEM NO. XVI

PREPARED BY AND SUBMITTED BY: Paul M. Sigle, General Manager

XVI. CONSIDER AND ACT UPON THE APPROVAL OF A WATER STORAGE AGREEMENT WITH THE UNITED STATES DEPARTMENT OF THE ARMY.

ISSUE

Consider and act upon the approval of a water storage agreement with the United States Department of the Army.

BACKGROUND

Recently, the Authority learned of an opportunity to purchase additional water storage rights on Lake Texoma.

CONSIDERATIONS

The rights are only for the rights to a portion of the available storage on Lake Texoma. The right to divert water from the Lake requires amending GTUA's TCEQ Water Rights Permit to include the additional storage.

STAFF RECOMMENDATIONS

The Authority Staff recommends approving the agreement with USACE.

ATTACHMENT

The draft agreement was emailed to the Board.

ADJOURN