NOTICE AND AGENDA
CITY COUNCIL
TUESDAY, MARCH 22, 2022, 7:00 PM
SPECIAL CALLED CITY COUNCIL MEETING

Notice is hereby given that the City Council of the City of Glenn Heights will hold a Special Called City Council Meeting on Tuesday, March 22, 2022, beginning at 7:00 P.M. in the City Hall, City Council Chambers, located at 1938 South Hampton Road, Glenn Heights, Texas, 75154, as prescribed by Vernon's Texas Civil Statutes, Government Code Section §551.041, to consider and possibly take action on the following agenda items. Items do not have to be taken in the same order as shown in this meeting Notice and Agenda.

This Notice and Meeting Agenda, and the Agenda Packet, are posted online at https://www.glennheightstx.gov/129/Agendas-Minutes.

This City Council Meeting will be live streamed at https://www.glennheightstx.gov/229/City-Council-Meeting-Videos.

CALL TO ORDER

INVOCATION

PLEDGE OF ALLEGIANCE

RECOGNITIONS - Mayor Harry A. Garrett

PUBLIC COMMENT

AGENDA

1. Discuss and take action on Resolution R-03-22, a Resolution of the City Council of the City of Glenn Heights, Texas, approving a software services agreement with OpenGov, Inc., a Delaware For-Profit Corporation on the terms and conditions set forth therein and authorizing the City Manager to execute the agreement and any other related and necessary documents and to disburse the funds required therefor; providing a severability clause; providing a repealing clause; and providing an effective date. (Phillip Conner, Finance Director)

2. Discuss and take action on Resolution R-09-22, a Resolution of the City Council of the City of Glenn Heights, Texas, authorizing the City Manager to negotiate and execute a contract for collection of solid waste and recyclable materials with Community Waste Disposal, L.P., a Texas Limited Partnership; in substantially the form attached hereto as Exhibit "A"; providing for the repeal of any and all resolutions in conflict; providing a severability clause; and providing for an

effective date. (David Hall, City Manager)

3. Discuss and take action on Resolution R-08-22, a Resolution of the City Council of the City of Glenn Heights, Texas, approving a Wholesale Treated Water Contract between the City of Dallas and the City of Glenn Heights for the purchase of wholesale treated water; authorizing the City Manager to execute said agreement; providing for the repeal of any and all Resolutions in conflict; providing a severability clause; and providing for an effective date. (David Hall, City Manager)

ADJOURNMENT

In accordance with the Americans with Disabilities Act, If you are a person with a disability and require information or materials in an appropriate alternative format; or if you require any other accommodations, please contact the City Secretary at least 48 hours in advance of the event at 972-223-1690 ext. 125 or email brandi.brown@glennheightstx.gov. Advance notification within this guideline will enable the City to make reasonable arrangements to ensure accessibility.

I, Brandi Brown, City Secretary, do hereby certify that the above Meeting Notice and Agenda was posted in a place convenient to the Public at Glenn Heights City Hall, 1938 South Hampton Road, Glenn Heights, Texas by 6:00 P.M. on Friday, March 18, 2022.

Pursuant to Section 551.071 of the Texas Government Code, the City Council reserves the right to consult in closed session with its attorney at any time during the course of this meeting and to receive legal advice regarding any item listed on this agenda.

_____

Brandi Brown, City Secretary

AGENDA SUMMARY SHEET
March 22, 2022

AGENDA, ITEM 1

Discuss and take action on Resolution R-03-22, a Resolution of the City Council of the City of Glenn Heights, Texas, approving a software services agreement with OpenGov, Inc., a Delaware For-Profit Corporation on the terms and conditions set forth therein and authorizing the City Manager to execute the agreement and any other related and necessary documents and to disburse the funds required therefor; providing a severability clause; providing a repealing clause; and providing an effective date. (Phillip Conner, Finance Director)

Motion	
Second	
For	Garrett, S Brown, Ipaye, Bruton, A Brown, Allen, Newson
Against	Garrett, S Brown, Ipaye, Bruton, A Brown, Allen, Newson
Abstain	
Approve/ Deny/ Table	

CITY OF GLENN HEIGHTS
CITY COUNCIL REPORT

Date: March 22, 2022

SUBJECT

This agenda item will allow City Council to take action on a Resolution authorizing the City Manager to execute a contract for a software services agreement with OpenGov, Inc.

DISCUSSION / BACKGROUND

Glenn Heights' staff is currently operating on different systems and outdated processes. This causes several issues, including but not limited to, difficulty in financial reporting, inefficient processes, slower response times to citizens and customers, and difficulty accessing data for decision making. OpenGov will provide an end-to-end solution Citywide and unlock our data to better serve our City.

City staff researched several potential systems, determining that OpenGov provides the software suite that best meets the City's needs for fostering economic growth and demonstrating excellent customer service. The software provides an end-to-end solution with financials, courts, permitting and code enforcement, reporting, transparency, procurement, and budgeting software. OpenGov is entirely cloud-based, which provides a user-friendly portal for the public to view City data, permits, and project status; and the City will not incur additional hardware costs, saving money in the long run. Additionally, OpenGov provides an unlimited model - the City can have unlimited users and store unlimited data, other providers are priced per user and use a set price for the storage of data, no matter how much or how little is stored.

City staff thoroughly reviewed several other technology providers and solutions and received multiple quotes throughout the review process. OpenGov offered the most robust technology platform at the most competitive price. The City Attorney has reviewed the contract and terms of service agreement, and the Texas DIR Contract DIR-TSO-3926 was used for the product and service price agreement.

City staff reached out directly to many other communities currently working with OpenGov and found that the company received rave reviews regarding the product, ongoing support, and services provided by OpenGov. Further, OpenGov works with over 1,000 governments nationwide (including several Texas communities). They are specifically designed for governments and can meet the timeline and requirements of the City, with local resources in the Dallas/Fort Worth area. If approved, OpenGov will provide support in multiple ways, including assigning a Client Success Manager and Project Manager.

Staff recommends OpenGov to replace the current systems and to implement new systems to replace outdated processes. The subject agreement includes training, set-up of the software, integrations, and the highest level of premium support offered by OpenGov

PRIOR COUNCIL OR BOARD ACTION

Not applicable.

PUBLIC CONTACT

Not applicable.

FINANCIAL IMPACT

FY 2021 – 22 $275,000
FY 2022 – 23 $250,633
FY 2023 – 24 $113,300
FY 2024 – 25 $116,699
FY 2025 – 26 $120,200
FY 2026 – 27 $123,806

RECOMMENDATION / ALTERNATIVES

Staff recommends City Council approve the Resolution authorizing the City Manager to sign the contract with OpenGov.

ATTACHMENTS

1. Resolution R-03-22

PREPARED BY

Phill Conner, Finance Director

REVIEWED BY

Brandi Brown, City Secretary

A RESOLUTION OF THE CITY OF GLENN HEIGHTS, TEXAS

RESOLUTION NO. R-03-22

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GLENN HEIGHTS, TEXAS APPROVING A SOFTWARE SERVICES AGREEMENT WITH OPENGOV, INC., A DELAWARE FOR-PROFIT CORPORATION ON THE TERMS AND CONDITIONS SET FORTH THEREIN AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE AGREEMENT AND ANY OTHER RELATED AND NECESSARY DOCUMENTS AND TO DISBURSE THE FUNDS REQUIRED THEREFOR; PROVIDING A SEVERABILITY CLAUSE; PROVIDING A REPEALING CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, in accordance with the terms and conditions contained in the Software Services Agreement attached hereto as Exhibit A, OpenGov, Inc., a Delaware for-profit corporation, has agreed to provide hosted software services to the City as more fully described in the Statement of Work ("SOW") made a part of the Software Services Agreement, Exhibit "A", including one-time product configuration, setup and training and provision of software services to include core financials, utility billing, payroll, budgeting and planning, citizen services (permits, licensing, code enforcement, and workflow), and municipal courts, on the terms and for the compensation stated in Exhibit "A"; and

WHEREAS, the City Council of the City of Glenn Heights finds it to be in the public interest of the City to authorize the above-described agreement.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GLENN HEIGHTS, TEXAS:

SECTION 1. The OpenGov Software Services Agreement, attached hereto as Exhibit "A", is hereby approved and the City Manager is authorized to execute the Agreement and any other related and necessary documents and to disburse the funds required therefor.

SECTION 2. This resolution shall take effect immediately from and after its passage, and it is accordingly so resolved.

SECTION 3. All provisions of the Resolutions of the City of Glenn Heights, Texas, in conflict with the provisions of this Resolution be, and the same are hereby, repealed, and all other provisions of the Resolutions of the City not in conflict with the provisions of this Resolution shall remain in full force and effect.

DULY PASSED by the City Council of the City of Glenn Heights, Texas, on the 22nd day of March 2022.

APPROVED:

_____
HARRY A. GARRETT, MAYOR

ATTEST:

_____
BRANDI BROWN, CITY SECRETARY

APPROVED AS TO FORM:

_____
VICTORIA W. THOMAS, CITY ATTORNEY
(011022vwtTM126990)

Exhibit “A”
[OpenGov Software Services Agreement]

OpenGov Inc. PO Box 41340
San Jose, CA 95160
United States

Created On:	3/14/2022	**Prepared By:**	Julian Jackson
Order Form Expiration:	3/31/2022	**Email:**	Jjackson@opengov.com
Subscription Start Date:	4/1/2022		
Subscription End Date:	9/30/2027		

Customer Information

Customer:	City of Glenn Heights, TX	**Contact Name:**	Phillip Connor	**Billing Contact:**	Phillip Connor
Bill To/Ship To:	1938 S Hampton Rd Glenn Heights, TX 75154 United States	**Email:**	phillip.conner@glennheightstx.gov	**Email:**	phillip.conner@glennheightstx.gov

Order Details

Billing Frequency: Annual
Payment Terms: Net Thirty (30) Days
Description: OpenGov Software Services are available on TX DIR
Contract: DIR-TSO-3926

SOFTWARE SERVICES:

Product / Service	Start Date	End Date	Annual Fee
1. Financials Suite *Budgeting & Planning, Core Financials, Utility Billing, Procurement, Citizen Services - 4 Service Areas, Reporting & Transparency, Municipal Courts, MAT / Assessor System, Contractor License Verification, ArcGIS Integration* 2. Premium Support and OpenGov University 3. UKG Ready for 100 Employees excluding Payroll Services** *(Ready Time 'Workforce Ready Timekeeper, Accruals, Attestation, Workforce Ready Integration Hub, Payroll, HR). **For any month where the number of employees exceeds 100, Customer shall pay an overage fee of $11.60 PEPM* 4. Cartegraph OMS Essentials (Users: 19) - Features Included: *Dashboard, Base Maps, Task Management, Request Management, Cartegraph One Mobile App, Water Meters Asset*	4/1/2022	9/30/2022	$61,902.98
1. Financials Suite *Budgeting & Planning, Core Financials, Utility Billing, Procurement, Citizen Services - 4 Service Areas, Reporting & Transparency, Municipal Courts, MAT / Assessor System, Contractor License Verification, ArcGIS Integration* 2. Premium Support and OpenGov University 3. UKG Ready for 100 Employees excluding Payroll Services** *(Ready Time 'Workforce Ready Timekeeper, Accruals, Attestation, Workforce Ready Integration Hub, Payroll, HR). **For any month where the number of employees exceeds 100, Customer shall pay an overage fee of $11.60 PEPM* 4. Cartegraph OMS Essentials (Users: 19) - Features Included: *Dashboard, Base Maps, Task Management, Request Management, Cartegraph One Mobile App, Water Meters Asset*	10/1/2022	9/30/2023	$110,000.00
1. Financials Suite *Budgeting & Planning, Core Financials, Utility Billing, Procurement, Citizen Services - 4 Service Areas, Reporting & Transparency, Municipal Courts, MAT / Assessor System, Contractor License Verification, ArcGIS Integration* 2. Premium Support and OpenGov University 3. UKG Ready for 100 Employees excluding Payroll Services** *(Ready Time 'Workforce Ready Timekeeper, Accruals, Attestation, Workforce Ready Integration Hub, Payroll, HR). **For any month where the number of employees exceeds 100, Customer shall pay an overage fee of $11.60 PEPM* 4. Cartegraph OMS Essentials (Users: 19) - Features Included: *Dashboard, Base Maps, Task Management, Request Management, Cartegraph One Mobile App, Water Meters Asset*	10/1/2023	9/30/2024	$113,300.00
1. Financials Suite *Budgeting & Planning, Core Financials, Utility Billing, Procurement, Citizen Services - 4 Service Areas, Reporting & Transparency, Municipal Courts, MAT / Assessor System, Contractor License Verification, ArcGIS Integration* 2. Premium Support and OpenGov University 3. UKG Ready for 100 Employees excluding Payroll Services** *(Ready Time 'Workforce Ready Timekeeper, Accruals, Attestation, Workforce Ready Integration Hub, Payroll, HR). **For any month where the number of employees exceeds 100, Customer shall pay an overage fee of $11.60 PEPM* 4. Cartegraph OMS Essentials (Users: 19) - Features Included: *Dashboard, Base Maps, Task Management, Request Management, Cartegraph One Mobile App, Water Meters Asset*	10/1/2024	9/30/2025	$116,699.00

1. Financials Suite *Budgeting & Planning, Core Financials, Utility Billing, Procurement, Citizen Services - 4 Service Areas, Reporting & Transparency, Municipal Courts, MAT / Assessor System, Contractor License Verification, ArcGIS Integration* 2. Premium Support and OpenGov University 3. UKG Ready for 100 Employees excluding Payroll Services** *(Ready Time 'Workforce Ready Timekeeper, Accruals, Attestation, Workforce Ready Integration Hub, Payroll, HR). **For any month where the number of employees exceeds 100, Customer shall pay an overage fee of $11.60 PEPM* 4. Cartegraph OMS Essentials (Users: 19) - Features Included: *Dashboard, Base Maps, Task Management, Request Management, Cartegraph One Mobile App, Water Meters Asset*	10/1/2025	9/30/2026	$120,199.97
1. Financials Suite *Budgeting & Planning, Core Financials, Utility Billing, Procurement, Citizen Services - 4 Service Areas, Reporting & Transparency, Municipal Courts, MAT / Assessor System, Contractor License Verification, ArcGIS Integration* 2. Premium Support and OpenGov University 3. UKG Ready for 100 Employees excluding Payroll Services** *(Ready Time 'Workforce Ready Timekeeper, Accruals, Attestation, Workforce Ready Integration Hub, Payroll, HR). **For any month where the number of employees exceeds 100, Customer shall pay an overage fee of $11.60 PEPM* 4. Cartegraph OMS Essentials (Users: 19) - Features Included: *Dashboard, Base Maps, Task Management, Request Management, Cartegraph One Mobile App, Water Meters Asset*	10/1/2026	9/30/2027	$123,805.97

Annual Subscription Total: See Billing Table

PROFESSIONAL SERVICES:

Product / Service	Description		
OpenGov Deployment	Product configuration, setup, and training described in the attached SOW.	OpenGov Professional Services Payment 1	$195,197.02
UKG Deployment		UKG Professional Services Payment	$14,500.00
Cartegraph Deployment		Cartegraph Professional Services Payment	$3,400.00
OpenGov Deployment		OpenGov Professional Services Payment 2	$140,632.98
		Professional Services Total:	**$353,730.00**

Billing Table:

Billing Date	Amount Due	
April 1, 2022	$275,000.00	*($61,902.98 Annual Software Fee + $213,097.02 OpenGov Professional Services Payment 1, UKG Deployment, and Cartegraph Deployment)*
October 1, 2022	$250,632.98	*(Annual Software Fee + OpenGov Professional Services Payment 2)*
October 1, 2023	$113,300.00	
October 1, 2024	$116,699.00	
October 1, 2025	$120,199.97	
October 1, 2026	$123,805.97	

Order Form Legal Terms

Welcome to OpenGov! Thanks for using our Software Services. This Order Form is entered into between OpenGov, Inc., with its principal place of business at PO Box 41340, San Jose, CA 95160 ("OpenGov"), and you, the entity identified above ("Customer"), as of the Effective Date. This Order Form includes and incorporates the OpenGov Software Services Agreement ("SSA") executed by the parties and attached, or if no such SSA is executed or attached, the SSA at https://opengov.com/terms-of-service and the applicable Statement of Work ("SOW") incorporated herein in the event Professional Services are purchased. The Order Form, SSA and SOW shall hereafter be referred to as the "Agreement". Unless otherwise specified above, fees for the Software Services and Professional Services shall be due and payable, in advance, on the Effective Date. By signing this Agreement, Customer acknowledges that it has reviewed, and agrees to be legally bound by, the OpenGov Terms and Conditions. Each party's acceptance of this Agreement is conditional upon the other's acceptance of the terms in the Agreement to the exclusion of all other terms.

City of Glenn Heights, TX

Signature: _____

Name: _____

Title: _____

Date: _____

OpenGov, Inc.

Signature: _____

Name: _____

Title: _____

Date: _____

OPENGOV SOFTWARE SERVICES AGREEMENT

This Software Services Agreement (this "**Agreement**") is entered into by OpenGov, Inc., a Delaware corporation with a principal place of business at 6525 Crown Blvd #41340, San Jose, CA 95160 ("**OpenGov**") and the customer listed on the signature block below ("**Customer**"), as of the date of last signature below (the "**Effective Date**"). This Agreement sets forth the terms under which Customer will be permitted to use OpenGov's hosted software services.

1. DEFINITIONS

"Customer Data" means data that is provided by Customer to OpenGov pursuant to this Agreement (for example, by email or through Customer's software systems of record). Customer Data shall not include any confidential personally identifiable information.

"Documentation" means the documentation for the Software Services at the Customer Resource Center page found at https://opengov.zendesk.com.

"Feedback" means suggestions, comments, improvements, ideas, or other feedback or materials regarding the Software Services provided by Customer to OpenGov, including feedback provided through online developer community forums.

"Initial Term" means the initial license term specified in number of years on the Order Form, commencing on the Effective Date.

"Intellectual Property Rights" means all intellectual property rights including all past, present, and future rights associated with works of authorship, including exclusive exploitation rights, copyrights, and moral rights, trademark and trade name rights and similar rights, trade secret rights, patent rights, and any other proprietary rights in intellectual property of every kind and nature.

"Order Form" means OpenGov's Software Services order form that: (a) specifies the Software Services provided by OpenGov; (b) references this Agreement; and (c) is signed by authorized representatives of both parties.

"Renewal Term" means each additional renewal period, which shall be for a period of equal duration as the Initial Term, for which this Agreement is extended pursuant to Section 7.2.

2. SOFTWARE SERVICES, SUPPORT AND PROFESSIONAL SERVICES

2.1 Software Services. Subject to the terms and conditions of this Agreement, OpenGov will use commercially reasonable efforts to perform the software services identified in the applicable Order Form entered into by OpenGov and Customer ("**Software Services**").

2.2 Support & Service Levels. Customer support is available by email to support@opengov.com or by using the chat messaging functionality of the Software Services, both of which are available during OpenGov's standard business hours. Customer may report issues any time. However, OpenGov will address issues during business hours. OpenGov will provide support for the Software Services in accordance with the Support and Software Service Levels found at https://opengov.com/service-sla, as long as Customer is entitled to receive support under the applicable Order Form and this Agreement.

2.3 Professional Services.

(a) If OpenGov or its authorized independent contractors provides professional services to Customer, such as implementation services, then these professional services will be described in a statement of work ("**SOW**") agreed to by the parties (the "**Professional Services**"). Unless otherwise specified in the SOW, any pre-paid Professional Services Fees must be utilized within one (1) year from the Effective Date. Any unused pre-paid Professional Services Fees shall be forfeited.

(b) Unless the SOW provides otherwise, all reasonable travel expenses, pre-approved by Customer and incurred by OpenGov in performing the professional services will be reimbursed by Customer. Travel expenses

include cost of coach airfare travel round trip from the individual's location to Customer's location, reasonable hotel accommodations, ground transportation and meals.

3. RESTRICTIONS AND RESPONSIBILITIES

3.1 Restrictions. Customer may not use the Software Services in any manner or for any purpose other than as expressly permitted by the Agreement. Customer shall not, and shall not permit or enable any third party to: (a) use or access any of the Software Services to build a competitive product or service; (b) modify, disassemble, decompile, reverse engineer or otherwise make any derivative use of the Software Services (except to the extent applicable laws specifically prohibit such restriction); (c) sell, license, rent, lease, assign, distribute, display, host, disclose, outsource, copy or otherwise commercially exploit the Software Services; (d) perform or disclose any benchmarking or performance testing of the Software Services; (e) remove any proprietary notices included with the Software Services; (f) use the Software Services in violation of applicable law; or (g) transfer any confidential personally identifiable information to OpenGov or the Software Services platform.

3.2 Responsibilities. Customer shall be responsible for obtaining and maintaining computers and third party software systems of record (such as Customer's ERP systems) needed to connect to, access or otherwise use the Software Services. Customer also shall be responsible for: (a) ensuring that such equipment is compatible with the Software Services, (b) maintaining the security of such equipment, user accounts, passwords and files, and (c) all uses of Customer user accounts by any party other than OpenGov.

4. INTELLECTUAL PROPERTY RIGHTS; LICENSE GRANTS; ACCESS TO CUSTOMER DATA

4.1 Software Services. OpenGov retains all right, title, and interest in the Software Services and all Intellectual Property Rights in the Software Services. The look and feel of the Software Services, including any custom fonts, graphics and button icons, are the property of OpenGov and Customer may not copy, imitate, or use them, in whole or in part, without OpenGov's prior written consent. Subject to Customer's obligations under this Agreement, OpenGov hereby grants to Customer a non-exclusive, royalty-free license during the Term to use the Software Services.

4.2 Customer Data. Customer retains all right, title, and interest in the Customer Data and all Intellectual Property Rights therein. Customer hereby grants to OpenGov a non-exclusive, royalty-free license to, and permit its partners (which include, without limitation the hosting providers of the Software Services) to, use, store, edit and reformat the Customer Data, and to use Customer Data for purposes of sales, marketing, business development, product enhancement, customer service, or for analyzing such data and publicly disclosing such analysis ("**Insights**"), provided that in all such uses Customer Data is rendered anonymous such that Customer is no longer identifiable.

4.3 Access to Customer Data. Customer may download the Customer Data from the Software Services at any time during the Term, other than during routine software maintenance periods. OpenGov has no obligation to return Customer Data to Customer.

4.4 Feedback. Customer hereby grants to OpenGov a non-exclusive, royalty-free, irrevocable, perpetual, worldwide license to use and incorporate into the Software Services and Documentation Customer's Feedback. OpenGov will exclusively own any improvements or modifications to the Software Services and Documentation based on or derived from any of Customer's Feedback including all Intellectual Property Rights in and to the improvements and modifications.

5. CONFIDENTIALITY

5.1 Each party (the "**Receiving Party**") agrees not to disclose any Confidential Information of the other party (the "**Disclosing Party**") without the Disclosing Party's prior written consent, except as provided below. The Receiving Party further agrees: (a) to use and disclose the Confidential Information only in connection with this Agreement; and (b) to protect such Confidential Information using the measures that Receiving Party employs with respect to its own Confidential Information of a similar nature, but in no event with less than reasonable care. Notwithstanding the above, the Receiving Party may disclose Confidential Information to the extent required by law or court order, provided that prior written notice of such required disclosure and an opportunity to oppose or limit disclosure is given to the Disclosing Party.

5.2 "**Confidential Information**" means all confidential business, technical, and financial information of the disclosing party that is marked as "Confidential" or an equivalent designation or that should reasonably be understood to be confidential given the nature of the information and/or the circumstances surrounding the disclosure (including the terms of the applicable Software Agreement). OpenGov's Confidential Information includes, without limitation, the software underlying the Software Services and all Documentation.

5.3 Notwithstanding the foregoing, "Confidential Information" does not include: (a) "**Public Data**," which is data that the Customer has previously released to the public, would be required to release to the public, upon request, according to applicable federal, state, or local public records laws, or Customer requests OpenGov make available to the public in conjunction with the Software Services. Confidential Information does not include (b) information that has become publicly known through no breach by the receiving party; (c) information that was rightfully received by the Receiving Party from a third party without restriction on use or disclosure; or (d) information independently developed by the Receiving Party without access to the Disclosing Party's Confidential Information.

6. PAYMENT OF FEES

6.1 Fees; Invoicing; Payment; Expenses.

(a) Fees. The fees for the Software Services for the Initial Term and any Renewal Term ("**Software Services Fees**") and the fees for Professional Services ("**Professional Services Fees**") are set forth in the applicable Order Form. Software Services Fees and Professional Services Fees shall hereafter be referred to as "**Fees**". Except to the extent otherwise expressly stated in this Agreement or in an Order Form, (i) all obligations to pay Fees are non-cancelable and all payments are non-refundable, (ii) Customer must pay all Fees due under all Order Forms and SOW within thirty (30) days after Customer receives each invoice (invoices are deemed received when OpenGov emails them to Customer's designated billing contact); (iii) the Software Service Fee shall be due annually in advance, and (iv) Customer must make all payments without setoffs, withholdings or deductions of any kind.

(b) Annual Software Maintenance Price Adjustment. OpenGov shall increase the Fees payable for the Software Services during any Renewal Term by 5% each year of the Renewal Term.

(c) Invoicing and Payment. OpenGov will invoice the Customer according to the Billing Frequency listed on the Order Form. Customer shall pay all invoices according to the Payment Terms listed on the Order Form.

(d) Travel Expenses. Unless the SOW provides otherwise, OpenGov will invoice Customer for travel expenses, pre-approved by the Customer, incurred in connection with each SOW as they are incurred. Customer shall pay all such valid invoices within thirty (30) days of receipt of invoice. Each invoice shall include receipts for the travel expenses listed on the invoice.

(e) Customer Delays; On Hold Fee.

I. On Hold Notice. Excluding delays caused by Force Majeure as described in Section 10.5, if OpenGov determines that Customer's personnel or contractors are not completing Customer's responsibilities described in the applicable SOW timely or accurately, OpenGov shall promptly, but in no event more than thirty (30) days from the date of such determination deliver to Customer a notice (an "**On Hold Notice**") that (A) designates the Professional Services to be provided to the Customer as "**On Hold**", (B) detail Customer's obligations and responsibilities necessary for OpenGov to continue performing the Professional Services, and (C) specify the Customer shall be invoiced for lost time in production (e.g. delayed or lost revenue resulting from rescheduling work on other projects, delay in receiving milestone payments from Customer, equipment, hosting providers and human resources idle) for a fee equal to 10% of the first year Software Service Fee (the "**On Hold Fee**").

II. Effects of On Hold Notice. Upon issuing an On Hold Notice, OpenGov shall be entitled, without penalty, to (A) reallocate resources otherwise reserved for the performance of the Professional Services, and (B) stop or caused to be stopped the Professional Services to be provided to the Customer until the Customer has fulfilled its obligations as set forth in the On Hold Notice. OpenGov shall remove the "On Hold" status, only upon Customer's fulfillment of its obligations set out in the On Hold Notice, including payment of the On Hold

Fee. Upon Customer's fulfillment of its obligations in the On Hold Notice, OpenGov may, in its sole discretion, extend the timeline to complete certain Professional Services up to six (6) weeks, depending on the availability of qualified team resources (OpenGov cannot guarantee that these team resources will be the same as those who were working on the project prior to it being placed On Hold). OpenGov shall bear no liability or otherwise be responsible for delays in the provision of the Professional Services occasioned by Customer's failure to complete Customer's responsibilities or adhere to a Customer schedule which were brought to the attention of the Customer on a timely basis, unless such delays result, directly or indirectly from the failure of OpenGov or its authorized independent contractors to perform the Professional Services in accordance with this Agreement or applicable SOW.

6.2 Consequences of Non-Payment. If Customer fails to make any payments required under any Order Form or SOW, then in addition to any other rights OpenGov may have under this Agreement or applicable law, (a) Customer will owe late interest penalty of 1.5% of the outstanding balance per month, or the maximum rate permitted by law, whichever is lower and (b) If Customer's account remains delinquent (with respect to payment of a valid invoice) for thirty (30) days after receipt of a delinquency notice from OpenGov, which may be provided via email to Customer's designated billing contact, OpenGov may temporarily suspend Customer's access to the Software Service for up to ninety (90) days to pursue good faith negotiations before pursuing termination in accordance with Section 7. Customer will continue to incur and owe all applicable Fees irrespective of any such Service suspension based on such Customer delinquency.

6.3 Taxes. All Fees under this Agreement are exclusive of any applicable sales, value-added, use or other taxes ("**Sales Taxes**"). Customer is solely responsible for any and all Sales Taxes, not including taxes based solely on OpenGov's net income. If any Sales Taxes related to the Fees under this Agreement are found at any time to be payable, the amount may be billed by OpenGov to, and shall be paid by, Customer. If Customer fails to pay any Sales Taxes, then Customer will be liable for any related penalties or interest, and will indemnify OpenGov for any liability or expense incurred in connection with such Sales Taxes. In the event Customer or the transactions contemplated by the Agreement are exempt from Sales Taxes, Customer agrees to provide OpenGov, as evidence of such tax exempt status, proper exemption certificates or other documentation acceptable to OpenGov.

7. TERM & TERMINATION

7.1 Term. Subject to compliance with all terms and conditions, the term of this Agreement shall commence on the Effective Date and shall continue until the Subscription End Date specified on the Order Form (the "**Initial Term**") unless sooner terminated pursuant to Section 7.3 below.

7.2 Renewal. This Agreement shall automatically renew for another period of the same duration as the Initial Term (the "**Renewal Term**" and together with the Initial Term, the "**Term**"), unless either party notifies the other party of its intent not to renew this Agreement in writing no less than thirty (30) days before the end of the Initial Term.

7.3 Termination. Neither party shall have the right to terminate this Agreement without a legally valid cause. If either party materially breaches any term of this Agreement and fails to cure such breach within thirty (30) days after notice by the non-breaching party (ten (10) days in the case of non-payment), the non-breaching party may terminate this Agreement. Additionally, Customer may terminate this Agreement, upon providing at least ninety (90) days notice prior to the annual anniversary date of the Agreement ("**Anniversary Date**") upon the occurrence of an Event of Nonappropriation as defined below. An "**Event of Nonappropriation**" occurs when prior to each Anniversary Date: a) Customer uses all efforts that are lawful and within Customer's official power, to secure the appropriate funds for the next year's Fees, including indicating the Software Services serve an essential purpose to Customer; and b) Customer has not acquired, used or issued a proposal for similar products or services during this period or has not hired any third party or allowed its own employees to use other services in place of the Software Services. Customer shall permit OpenGov to assist with the efforts in a) above, including providing OpenGov with direct access to Customer's applicable appropriations team. The Customer agrees not to use termination for non-appropriation as a substitute for termination for convenience.

7.4 Effect of Termination.

(a) In General. Upon termination pursuant to Section 7.3 or expiration of this Agreement pursuant to Section 7.1: (a) Customer shall pay in full for all Software Services and Professional Services performed up to and including

the effective date of termination or expiration, (b) all Software Services provided to Customer hereunder shall immediately terminate; and (c) each party shall return to the other party or, at the other party's option, destroy all Confidential Information of the other party in its possession.

(b) Deletion of Customer Data. Unless otherwise requested pursuant to this Section 7.4(b), upon the expiration or termination of this Agreement the Customer Data, excluding any Insights, shall be deleted pursuant to OpenGov's standard data deletion and retention practices. Upon written request, Customer may request deletion of Customer Data, excluding any Insights, prior to the date of termination or expiration of this Agreement. Such request must be addressed to "OpenGov Vice President, Customer Success" at OpenGov's address for notice described at Section 10.

7.5 Survival. The following sections of this Agreement shall survive termination: Section 5 (Confidentiality), Section 6 (Payment of Fees), Section 7.4(b) (Deletion of Customer Data), Section 8.3 (Warranty Disclaimer), Section 9 (Limitation of Liability) and Section 10 (Miscellaneous).

8. REPRESENTATIONS AND WARRANTIES; DISCLAIMER

8.1 By OpenGov.

(a) General Warranty. OpenGov represents and warrants that: (i) it has all right and authority necessary to enter into and perform this Agreement; and (ii) the Professional Services, if any, will be performed in a professional and workmanlike manner in accordance with the related statement of work and generally prevailing industry standards. For any breach of the Professional Services warranty, Customer's exclusive remedy and OpenGov's entire liability will be the re-performance of the applicable services. If OpenGov is unable to re-perform all such work as warranted, Customer will be entitled to recover all fees paid to OpenGov for the deficient work. Customer must make any claim under the foregoing warranty to OpenGov in writing within ninety (90) days of performance of such work in order to receive such warranty remedies.

(b) Software Services Warranty. OpenGov further represents and warrants that for a period of ninety (90) days, the Software Services will perform in all material respects in accordance with the Documentation. The foregoing warranty does not apply to any Software Services that have been used in a manner other than as set forth in the Documentation and authorized under this Agreement. OpenGov does not warrant that the Software Services will be uninterrupted or error-free. Any claim submitted under this Section 8.1(b) must be submitted in writing to OpenGov during the Term. OpenGov's entire liability for any breach of the foregoing warranty is to repair or replace any nonconforming Software Services so that the affected portion of the Software Services operates as warranted or, if OpenGov is unable to do so, terminate the license for such Software Services and refund the pre-paid, unused portion of the Fee for such Software Services.

8.2 By Customer. Customer represents and warrants that (i) it has all right and authority necessary to enter into and perform this Agreement; and (ii) OpenGov's use of the Customer Data pursuant to this Agreement will not infringe, violate or misappropriate the Intellectual Property Rights of any third party.

8.3 Disclaimer. OPENGOV DOES NOT WARRANT THAT THE SOFTWARE SERVICES WILL BE UNINTERRUPTED OR ERROR FREE; NOR DOES IT MAKE ANY WARRANTY AS TO THE RESULTS THAT MAY BE OBTAINED FROM USE OF THE SOFTWARE SERVICES. EXCEPT AS SET FORTH IN THIS SECTION 8, THE SOFTWARE SERVICES ARE PROVIDED "AS IS" AND OPENGOV DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, IMPLIED WARRANTIES OF MERCHANTABILITY, TITLE, FITNESS FOR A PARTICULAR PURPOSE, AND NON-INFRINGEMENT.

9. LIMITATION OF LIABILITY

9.1 By Type. NEITHER PARTY, NOR ITS SUPPLIERS, OFFICERS, AFFILIATES, REPRESENTATIVES, CONTRACTORS OR EMPLOYEES, SHALL BE RESPONSIBLE OR LIABLE WITH RESPECT TO ANY SUBJECT MATTER OF THIS AGREEMENT UNDER ANY CONTRACT, NEGLIGENCE, STRICT LIABILITY, OR OTHER THEORY: (A) FOR ERROR OR INTERRUPTION OF USE OR FOR LOSS OR INACCURACY OF DATA OR COST OF PROCUREMENT OF SUBSTITUTE GOODS OR SERVICES OR LOSS OF BUSINESS; (B) FOR ANY INDIRECT, EXEMPLARY, PUNITIVE, INCIDENTAL, SPECIAL, OR CONSEQUENTIAL DAMAGES; OR (C) FOR

ANY MATTER BEYOND SUCH PARTY'S REASONABLE CONTROL, EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSS OR DAMAGE.

9.2 By Amount. IN NO EVENT SHALL EITHER PARTY'S AGGREGATE, CUMULATIVE LIABILITY FOR ANY CLAIMS ARISING OUT OF OR IN ANY WAY RELATED TO THIS AGREEMENT EXCEED THE FEES PAID BY CUSTOMER TO OPENGOV (OR, IN THE CASE OF CUSTOMER, PAYABLE) FOR THE SOFTWARE SERVICES UNDER THIS AGREEMENT IN THE 12 MONTHS PRIOR TO THE ACT THAT GAVE RISE TO THE LIABILITY.

9.3 Limitation of Liability Exclusions. The limitations of liability set forth in Sections 9.1 and 9.2 above do not apply to, and each party accepts liability to the other for: (a) claims based on either party's intentional breach of its obligations set forth in Section 5 (Confidentiality), (b) claims arising out of fraud or willful misconduct by either party and (c) either party's unauthorized use, distribution, or disclosure of the other party's intellectual property.

9.4 No Limitation of Liability by Law. Because some jurisdictions do not allow liability or damages to be limited to the extent set forth above, some of the above limitations may not apply to Customer.

10. MISCELLANEOUS

10.1 Logo Use. OpenGov shall have the right to use and display Customer's logos and trade names for marketing and promotional purposes in connection with OpenGov's website and marketing materials, subject to Customer's trademark usage guidelines provided to OpenGov.

10.2 Notice. Ordinary day-to-day operational communications may be conducted by email, live chat or telephone communications. However, for notices, including legal notices, required by the Agreement (in Sections where the word "notice" appears) the parties must communicate more formally in a writing given by personal delivery, by pre-paid first-class mail or by overnight courier to the address specified in the most recent Order Form (or such other address as may be specified in writing in accordance with this Section).

10.3 Anti-corruption. OpenGov has not offered or provided any bribe, kickback, illegal or improper payment, gift, or thing of value to any Customer personnel in connection with the Agreement, other than reasonable gifts and entertainment provided Customer in the ordinary course of business. If OpenGov become aware of any violation of the above restriction then OpenGov shall promptly notify Customer.

10.4 Injunctive Relief. The parties acknowledge that any breach of the confidentiality provisions or the unauthorized use of a party's intellectual property may result in serious and irreparable injury to the aggrieved party for which damages may not adequately compensate the aggrieved party. The parties agree, therefore, that, in addition to any other remedy that the aggrieved party may have, it shall be entitled to seek equitable injunctive relief without being required to post a bond or other surety or to prove either actual damages or that damages would be an inadequate remedy.

10.5 Force Majeure. Neither party shall be held responsible or liable for any losses arising out of any delay or failure in performance of any part of this Agreement, other than payment obligations, due to any act of god, act of governmental authority, or due to war, riot, labor difficulty, failure of performance by any third-party service, utilities, or equipment provider, or any other cause beyond the reasonable control of the party delayed or prevented from performing.

10.6 Severability; Waiver. If any provision of this Agreement is found to be unenforceable or invalid, that provision will be limited or eliminated to the minimum extent necessary so that this Agreement will otherwise remain in full force and effect and enforceable. Any express waiver or failure to exercise promptly any right under this Agreement will not create a continuing waiver or any expectation of non-enforcement. There are no third-party beneficiaries to this Agreement.

10.7 Assignment. Except as set forth in this Section, neither party shall assign, delegate, or otherwise transfer this Agreement or any of its rights or obligations to a third party without the other party's prior written consent, which consent shall not be unreasonably withheld, conditioned, or delayed. Either party may assign, without such consent but upon written notice, its rights and obligations under this Agreement to: (i) its corporate affiliate; or (ii) any entity that acquires all or substantially all of its capital stock or its assets related to this Agreement, through purchase, merger, consolidation, or otherwise. Any other attempted assignment shall be void. This Agreement shall inure to the benefit of and bind each party's permitted assigns and successors.

10.8 Independent Contractors. No agency, partnership, joint venture, or employment is created as a result of this Agreement and neither party has any authority of any kind to bind the other party in any respect.

10.9 Attorneys' Fees. In any action or proceeding to enforce rights under this Agreement, the prevailing party will be entitled to recover costs and attorneys' fees.

10.10 Governing Law and Jurisdiction. This Agreement shall be governed by the laws of the State of Texas without regard to its conflict of laws provisions. Exclusive jurisdiction for litigation of any dispute, controversy or claim arising out of or in connection with this Agreement shall be only in the Federal or State court with competent jurisdiction located in Dallas County, Texas, and the parties hereby submit to the personal jurisdiction and venue therein.

10.11 Complete Agreement. This Agreement is the complete and exclusive statement of the mutual understanding of the parties and supersedes and cancels all previous written and oral agreements, communications, and other understandings relating to the subject matter of this Agreement. No modification of this Agreement will be binding, unless in writing and signed by an authorized representative of each party.

[SIGNATURE PAGE TO FOLLOW]

Signatures

Customer: _____		**OPENGOV, INC.**	
Signature:	_____	Signature:	_____
Name:	_____	Name:	_____
Title:	_____	Title:	_____
Date:	_____	Date:	_____

[SIGNATURE PAGE TO OPENGOV SOFTWARE SERVICES AGREEMENT]

Statement of Work

City of Glenn Heights

Created by: Adam Weems
Creation Date: 01/18/22
Document Number: DD-02212
Version Number: 6

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1. Overview

1.1. Preamble

This Statement of Work ("SOW") identifies services that OpenGov, Inc. ("OpenGov" or "we") will perform for City of Glenn Heights ("Customer" or "you") pursuant to that order for Professional Services entered into between OpenGov and the Customer ("Order Form") which references the Software Services Agreement or other applicable agreement entered into by the parties (the "Agreement").

- OpenGov's performance of the Professional Services is governed by the Agreement and now this SOW.
- Upon execution of the Order Form or other documentation referencing the SOW, this SOW shall be incorporated by reference into the Agreement.
- In the event of any inconsistency or conflict between the terms and conditions of this SOW and the Agreement, the terms and conditions of this SOW shall govern with respect to the subject matter of this SOW only. Unless otherwise defined herein, capitalized terms used in this SOW shall have the meaning defined in the Agreement.
- This SOW may not be modified or amended except in a written agreement signed by a duly authorized representative of each party.

2. Project Scope

Software Services Suite	**Modules**
Financials	• Chart of Accounts • General Ledger • Procure to Pay • Bank Reconciliation • Cash Receipts • Accounts Receivable • Fixed Assets • Utility Billing • Reporting

	• Interfaces These modules are configured based on discussions with OpenGov and the Customer but the Software Service is not customized in any way beyond its original capabilities.
Budgeting and Planning	• Data Manager • Workforce Plan • Reporting • Budget • Stories • Transparency Portal These modules are configured based on discussions with OpenGov and the Customer for use in the following solutions: • Operating Budget • Workforce Planning • Capital Improvement Planning • Online Budget Book Software Service is not customized beyond current capacities in latest release.
Citizen Services	Permit, Licensing, Code Enforcement, Workflow software. This Software Service is configured per discussion with OpenGov and Customer. Software Service is not customized beyond current capacities in latest release.
Municipal Courts	• Public Portal • Virtual Clerk • Paperless Processing • Rule of Law
Third Party Vendors	• Cartegraph *These SOWs are detailed in the Appendix.

3. Roles and Responsibilities

3.1. Roles and Responsibilities Descriptions

OpenGov

Role	Role Description
Executive Sponsor ("ES")	Responsible for ensuring alignment on project value proposition and vision. Escalation point for Customer Executive Sponsor to mitigate any risks that the project team cannot resolve. Executive Sponsor attends monthly (or determined frequency) executive meetings to review deployment status, documented issue list, status and closure summary.
Project Manager ("PM")	Responsible for the delivery of the Professional Services based upon the agreed upon SOW within the budgeted hours and timeframe. Ensures the project is properly forecasted, assigns tasks/resources, and tracks toward project completion. Holds executive meetings as appropriate to ensure project issues are properly escalated and success is achieved. Facilitates the transition to support.
Analyst ("IA")	The Analyst is the primary consultant, guiding Customer through configuration working sessions to put together successful workflows.
Associate Analyst ("AIA")	Responsible for helping Customer configure OpenGov's Software Service suites as assigned.
Solution Architect ("SA")	OpenGov Solution Architect ("SA") will engage in strategy, design, and execution discussions internally and with Customer during the deployment. The SA has a specific area of expertise, and depending on the scope of the project more than one SA may engage. The SA will not be on all working sessions, but may be involved per the direction of the OpenGov Project Manager.
Integration Engineer ("IE")	Responsible for migrations, conversions, and integrations as assigned. Responsible for providing clear direction on specifications to ensure proper delivery of migration, conversions, and integrations. Clear data mapping and data validation to be provided with customer sign-offs obtained by the OpenGov Project Manager.
Account Executive ("AE")	The Account Executive is responsible for the sales cycle. Aligning on program vision, value proposition, and contract terms. The Account Executive will facilitate project kickoff along with the OpenGov Project Manager. The Account Executive will be engaged with the customer throughout their journey with OpenGov, post-deployment and beyond.
Customer Success Manager ("CSM")	The Customer Success Manager ("CSM") is the primary Customer relationship holder post-Deploy. The "Air Traffic Controller" or "Quarterback" of OpenGov resources with focus

	on long term success of Customer's partnership with OpenGov. The CSM will engage with Customer to discuss adoption strategy and conduct periodic reviews to ensure Customer's key stakeholders understand all OpenGov offerings and how they align to key Customer priorities. The CSM will be introduced at deployment kick-off, but will not be an active participant in deployment. As the project approaches closure, the CSM's engagement will ramp-up, and the OpenGov Project Manager to CSM meeting with Customer will occur prior to Project Completion.

Customer

Role	Role Description
Budget Owner ("BO")	The Customer Budget Owner commits the funds to the project deployment, assesses the cost to value (ROI), and approves change orders. In some cases, the Budget Owner and Executive Sponsor are the same person.
Executive Sponsor ("ES")	Responsible for ensuring the Customer team is aligned to core project value proposition and goals. Able to intervene if the project veers off track, and has ability to make decisions on timeline and budget when decisions are stalled. The Executive Sponsor is not expected to regularly attend deployment meetings. The Executive Sponsors attends monthly (or other frequency) executive meetings to review deployment status, documented issue list, status and closure summary.
Project Manager ("PM")	Serves as the *single* primary contact for OpenGov for this SOW. Coordinates meetings and schedules. Controls communication between the Customer and OpenGov project teams. PM is expected to facilitate internal conversations and decision making. Has ability to sign off on deliverable completion and final project closure.
Subject Matter Expert ("SME")	Is an internal SME in the functional area of deployment. Attends working sessions, all training sessions (including self-paced modules), and responsible for reviewing configurations. OpenGov counterpart will be the Analyst. There will likely be one SME per functional area or module.
Data and Systems Lead ("DSL")	Responsible for mapping out data infrastructure and validating migration, conversion, integration requirements. Able to connect OpenGov team with any of Customer's third-party data sources and vendors as needed to fulfill SOW requirements.

4. Governance

Project Governance provides the foundation and framework to manage deployments by assessing progress and addressing questions and challenges during the course of deployment. OpenGov follows three guiding principles for governance to maximize the deployment value with our customers:

- **Regular communication** aligned to the agreed upon project plan and timing will occur. OpenGov expects customer to raise questions or concerns as soon as they arise. OpenGov will do the same, as items can only be addressed when known.
- **Executive involvement** is expected from both OpenGov and Customer. Not only may Executives be called upon to clarify expectations and/or confusion, but also to steer strategic items to maximize value through the deployment.
- **Commitment to the direction** outlined in the Project Charter and critical assessment change orders to ensure they drive value.

4.1. Commitment to Project Direction and Goals

Transparency is paramount for our Customers to attain the value of the SOW or any subsequent change order.

Should the direction of the implementation become disconnected, OpenGov and Customer Project Managers will outline the gaps as they understand them and communicate the gaps to their respective Executive Sponsor(s) (or Project Teams) for discussion and resolution.

The communication path for this engagement will be outlined in the kick off meeting, documenting both phone numbers and email.

5. Escalation Process

The purpose of this section is to define the escalation process, should it be needed, to support closing issues that are raised, discussed to move forward with the deployment. OpenGov and Customer agree to raise concerns and follow the escalation process, resource responsibility, and documentation.

5.1. Process

- Identification of an issue impeding deployment progress, outcome or capturing the value proposition, that is not acceptable.

- Customer or OpenGov Project Manager summarizes the problem statement and impasse.
- Customer and OpenGov Project Managers will outline solution, acceptance or schedule. Executive review in accordance with Section **7** Acceptance.
- Resolution will be documented and signed off following Executive Sponsor review in accordance with Section **7** Acceptance.

5.2. Escalation Requirements

- OpenGov and Customer Project Managers will summarize the impasse and recommendation to present at scheduled or ad hoc executive sponsor meetings where both Customer and OpenGov have representation. Unless otherwise noted in this SOW, Customer Project Manager can approve how hours are used, but not where funding is required.
- Executive Sponsors attend monthly (or other frequency) executive meetings to review deployment status, documented issue list, status, and closure summary.
- Steering Committees, where applicable, will be the arbitrator of direction and issue closure. Unless otherwise noted in this document, the Customer Executive Sponsor must approve change orders that result in additional cost.
- Customer or OpenGov Analysts may be requested to provide input to the issue and assist in closure. Both Customer and OpenGov will make best efforts to enable those Analysts to be available and participate.

5.3. Documentation

- Issue Escalation: Problem Statement with clear impact to the deployment and/or engagement.
- Acceptance Document: Which will include any change order(s) or other process adjustments required and summary of the resolution.
- Notes from Project Meetings, Executive Reviews, and Steering Committee meetings, as appropriate.

6. Project Commitments

In order to ensure we are able to meet the project timeline and ensure Customer is successful in this implementation, OpenGov asks that Customer abide by the Commitments detailed in this document.

- Customer will commit and provide access to all necessary stakeholders and subject matter experts, and other key parties whose roles are defined in Section **2.1**, necessary to the successful implementation of the Software Services as defined in this document.
- Customer will commit to providing professional and timely communication.
- Customer will provide all discovery documents necessary for implementation.
- Customer is responsible for internal change management associated with the purchase of new software.
- OpenGov will provide training as defined in the SOW. Customer is responsible for additional training sessions and managing End User questions as they may arise.

6.1. Travel Expenses

Customer is responsible for any travel costs associated with OpenGov coming onsite at the customer request during the implementation. Customer will be billed for actual expenses as incurred.

7. Deliverable Acceptance

7.1. Acceptance Process

Certain deliverables require acceptance from the Customer Project Manager(s) following the completion of said deliverables. Customer is responsible for conducting testing of such deliverable pursuant to any applicable mutually agreed upon acceptance criteria for such deliverable.

The following process will be used for accepting deliverables:

- OpenGov shall submit the completed deliverables to Customer to review or test against the applicable acceptance criteria. Customer shall notify OpenGov promptly of its acceptance or rejection in accordance with the agreed upon acceptance criteria.
- Customer must accept all deliverables that meet the applicable acceptance criteria. OpenGov Project Manager will provide the Customer Project Manager with the OpenGov Acceptance form to sign off on the deliverable. Once all deliverables required to meet a particular phase have been accepted, the phase shall be deemed complete.
- Upon completion of the deliverable, Customer shall have ten business days to communicate that the particular deliverable does not meet the acceptance criteria.

Failure to communicate that the particular deliverable does not meet Customer's requirements will be deemed as acceptance and any further work to remedy Customer's complaint could incur additional cost.

- Customer shall provide to OpenGov a written notice detailing the reasons for rejection and the nature of the failure to meet the acceptance criteria. OpenGov shall make efforts to revise the non-conforming deliverable to meet the acceptance criteria and re-submit it to Customer for further review and testing.
- If the acceptance form is not received in accordance with the above timelines, the project phase and/or project will be considered accepted and automatically closed.

8. Changes to Scope

Changes to the scope may require additional effort or time, resulting in additional cost. Any change to scope must be agreed to in writing or email, by both Customer and OpenGov, and documented as such via a change order for work that is added to or deleted from the original scope of the SOW. Depending on the magnitude of the change, it may or may not alter the original contract amount or completion date and be paid for by Customer. Changes may include:

- Timeline for completion
- Sign off process
- Cost of change and Invoice timing
- Signed by OpenGov and Customer Executives approving funds.

Change documentation will be mutually agreed. Should that not occur, the change will be added to the next Executive Sponsor agenda for closure.

Example of changes that might arise during a deployment:

1. Amending the SOW to correct an error.
2. Extension of work as the complexity identified exceeds what was expected by Customer or OpenGov.
3. Change in type of OpenGov resources to support the SOW. For example Subject Matter Experts to address simplifying Chart of Account structure.

9. Project Schedule

OpenGov will schedule resources for the project upon signature of the order form. Unless specifically noted, the OpenGov assigned project manager will work with Customer Project Manager to develop the project schedule for all requested deliverables in the SOW. OpenGov reserves the right to adjust the schedule based on the availability of OpenGov

resources and/or Customer resources, and the timeliness of deliverables provided by the Customer.

10. Implementation Deliverables

The list of customer responsibilities is not exhaustive but intended to give an estimate of the commitment of time and resources involved in the implementation. There will be hours and time involved outside of the meetings that both OpenGov and the Customer are responsible for that not directly accounted for in this document.

10.1. All Suites

Discovery (all suites)		
Description	OpenGov Responsibilities	Customer Responsibilities
Project Plan	OpenGov to propose a go-live date based on information gathered and explain expectations required to meet the date. In conjunction with Customer review overall Project Plan and gain agreement and sign off	Customer to confirm resources and commitment to meet the date. In conjunction with OpenGov Project Manager review project plan Sign Off on project plan and go live dates.
Document Discovery	Review information and sample data received with Customer Provide lists of documents and data needed for the project. (Additional information available)	Based on the needs of the project Customer will supply documents and data needed for the project.
Solution Blueprint	Catalog legacy systems OpenGov will present a solution blueprint to be mutually agreed upon prior to beginning configuration.	Signoff on Solution Blueprint

10.2. Financials Deliverables

Financials Data Migration		
Description	OpenGov Responsibilities	Customer Responsibilities
Data Discovery	Create SFTP	Provide copy of Database/files Provide specified reports

		Upload to SFTP
Initial Data Migration	Load data "as-is" : • Current Year Budget • 3y JE Transactions (if applicable) • 2y Utility Billing Data + Open Balances (if applicable)	Provide data mapping rules based on initial load. OpenGov to utilize scripts to pull data from Incode9 into the GL. The City will be responsible for allowing access to run the scripts. JE Transactions will be loaded by OpenGov *only* if: • Ending and beginning balances Year over Year match
Data Clean Up Plan	Create Data Dictionary based on rules provided Load Master Data: • COA, if needed • Vendor list • Customer list, if applicable	Review Dictionary Review Master Data

Financials Chart of Accounts		
Description	OpenGov Responsibilities	Customer Responsibilities
Discovery	Provide Customer with requirements of OpenGov COA string and recommendations to modify current chart	Review requirements and recommendations with OpenGov - 3h
Best Practices	OpenGov assesses and identifies how best to configure and map data to ensure success based on materials provided by Customer. Review General Ledger (GL), Procure to Pay (P2P), and Cash Receipts (CR) best practices with Customer. OpenGov will make solution recommendations based on our expertise.	GL session - 2 hr P2P session - 2hr CR session - 2hr
Validate COA	Present COA String in Draft Form Make edits Present COA in Excel format Present COA in OGF	Review COA string and provide edits to OpenGov Review edits provided in Excel Review edits provided in OGF 8 hrs
Sign Off COA	Send COA Signoff Form	Signoff on format in OGF

Core Financials Configuration (by module)		
Description	OpenGov Responsibilities	Customer Responsibilities
General Ledger	After initial data load, schedule configuration working session on General Ledger: • Data Review • Improved Procedural Processes • Build recurring templates (if applicable) • Validate Reporting • Review configuration with Customer	Attend working session - 2hr
Procure to Pay	Schedule 3 configuration working sessions on Procure to Pay. OpenGov will work with customer to setup: • Banks • ACH • Positive Pay • Check format and printers • Current year budget • Vendors • 1099 Processing • Misc Vendors • Purchase controls • Encumbrances/Requisitions • Departmental purchasing • Approval routing • Approval limits	Attend working session - 7.5hr Additional working session - 3 hr Additional working session - 2.5 hr Test ACH files Print Test Check Order new equipment (as needed) Test Positive Pay file
Cash Receipts	Schedule configuration working session on Cash Receipts. OpenGov will work with customer to setup: • Cash Receipt types • Receipts format and printers • Journal entry controls • Credit card processing interfaces/processors (as defined in presales process) • Utility Billing batches • Collection agencies	Attend working session 2.5 hr
Interfaces	OpenGov will work with Customer to assess Interface requirements. Further discovery may be required to establish Customer's needs and could result in additional hours added to the	Provide data exports and file formats required for interfaces. Format change in source file may be required if format does not fit OG requirements.

	project. **OpenGov will not be connecting to Incode 9 for an integration.**	Purchase and setup new equipment as applicable. **Any data transmitted between Incode 9 and OpenGov will be manually loaded into OpenGov by city staff.**
Security	OpenGov will: Schedule security session after Master Data Load. Set up authentication: • Users and Group (may or may not include SSO depending on if the City configuration meets OpenGov technical requirements) Set up Authorization: • Module/application access controls • COA based • Separation of duties Evaluate and configure Security controls and log in requirements with assistance from Customer.	Attend security session - 2hr Complete security user documentation and provide user list
Reports	OpenGov will conduct an assessment of Customer's current reports to determine specific report types needed within: • OpenGov Financials (Financial and Module specific reports) • OpenGov Reporting and Transparency Platform (Historical and Non-Financial Reports) OpenGov will provide document outlining reports and schedule session.	• Attend reporting session - 2hr • Load historical transaction data to the Reporting & Transparency Platform (up to 5 years)

Extended Financials Configuration (by module)		
Description	OpenGov Responsibilities	Customer Responsibilities
Bank Reconciliation	Schedule configuration working session on Bank Reconciliation. OpenGov will work with customer to setup: • Bank interfaces (for downloading and uploading statements)	Attend working session 2 hr Provide a CSV file for the Bank Reconciliation process to work. If a CSV format cannot be provided then the Bank Reconciliation functionality will not perform as designed.

	• Unmatched items process	
Fixed Assets	Schedule configuration working session on Fixed Assets. OpenGov will work with customer to setup: • Asset groups • Fleet groups • Useful life and Depreciation Method	Attend working session 2 hr
Accounts Receivable	Schedule configuration working session on Accounts Receivable. OpenGov will work with customer to setup: • Recurring and Miscellaneous Customer • Invoice formats • Billing Cycles	Attend working session 2 hr
Utility Billing	OpenGov will work with customer to configure the Utility Billing module and setup: • Cycles • Routes • Transactions types • Service types • Rates • Meters/Meter Reading • Work orders • Journal entries • Bank interfaces • Statements • Customers • Services addresses • Billing and Statements • Payment Processing (Credit cards) • Unclaimed Property • CASS Certification • Utility Billing Customer Facing Portal • Delinquent Processing OpenGov will provide Utility Billing module reports: • Service Account • Services Provided • Meter related • Transaction history • Meter reading • Rate study • Month end	Attend working sessions: Setup and configuration 9 hours Reports 2.5 hours Delinquent Processing 1 hr (if applicable) Potential Variables - number of rates and services; number of interfaces Complete Smart Meter upgrade Approve direction on online consumption data, either through OpenGov Utility Bill portal or Kamstrup site.

	• Account audit *Work on Utility Billing will not begin until the Smart Meter upgrade to Kamstrup is completed.	

Financials Testing *Note: Testing is not the time to reconfigure systems or change major business processes. This phase is focused on testing and validating data for this implementation.*		
Description	OpenGov Responsibilities	Customer Responsibilities
Reporting Validation	Verify that all designated OpenGov Reports have been configured and shared with Customer	Validate that OpenGov system reports defined in best practice acceptance have been configured and shared with customer admins
User Acceptance Testing	Provide document to customer to follow for UAT	Complete document with action items to complete User Acceptance Testing - 10h
UAT Signoff	Provide Testing Signoff document	Sign off on UAT Completion: • Configuration of deployed modules to agreed upon Solution Document • Admin has been completed through a series of working sessions and OGU Sessions • OGF standard financial reports • Go Live Plan Completion • Cutover Planning Checklist
Final Data Load	OpenGov will perform the final data upload of all data. This will replace any previous and prior data loads to prepare for GoLive. This data upload may require black out dates where Customer is not able to input data into the legacy system. Load: • Current Year Budget • Up to 3y JE Transactions (if applicable) • 2y Utility Billing Data + Open Balances (if applicable) Load Transactional Data: • Customer list, if applicable • Master Vendor List • COA • Beginning Balances • JE Debits/Credits	Provide reports for validation of data: • Prior FY Balance Sheet • Current Fiscal YTD Trial Balance • Current Calendar Year Vendor Totals by 1099 • Current Fiscal YTD Vendor Totals • Current Fiscal YTD Encumbrance Report JE Transactions will be loaded by OpenGov *only* if: • Ending and beginning balances Year over Year match Validate data - 4h

	• 1099 Data • Open Invoices and Purchase Orders	

Financials Training *Note: Training is not linear during the implementation; OpenGov expects that the customers are participating as throughout the implementation and engaging during the sessions*		
Description	OpenGov Responsibilities	Customer Responsibilities
OGU Training	OpenGov will provide access to OpenGov University, our self-paced online learning platform intended to teach users on the basics of OpenGov products. Access to OpenGov University begins when your implementation begins, therefore this online learning platform is an integral piece of the overall training package. Learning Paths will be assigned in full to the main contact/system administrator by default, with other users upon request. Specific modules within Learning Paths will be highlighted by the Implementation team to focus on learning at the appropriate phase of the project.	Complete OpenGov University Training courses as assigned - 10h
End User Training	OpenGov will offer two 60m Q&A sessions upon completion of the End User training session to answer questions.	Deliver End User Training via a Train-the-Trainer style session.

Financials GoLive Support		
Description	OpenGov Responsibilities	Customer Responsibilities
GoLive Support	OpenGov will provide up to 40 hours of support for the first 2 weeks of go-live.	Attend standups.
Post GoLive Support	OpenGov will provide post implementation support in the form of assistance with initial (to include but not limited to):	Provide open items list. Attend handoff to Support call.

	• Processing of requisitions and purchase orders • Accounts Payable check run • Printing and submitting of checks to the bank • Running reports • Live Bank Reconciliation • Coordinate call to introduce Customer Support Manager and/or support package based on package.	
Reporting Training	OpenGov will train Customer on: • Import and Export Data into the system • How to build Reports and Dashboards in the Platform. • Using Saved Views and Masks.	Attend all instructor-led training sessions needed to perform duties and functions as they relate to OpenGov Reporting & Transparency Platform. - 2h

10.3. Budget and Planning Deliverables

Budgeting and Planning Suite		
Description	OpenGov Responsibilities	Customer Responsibilities
Budget and Reporting Configuration	**General:** Provide effective project governance Lead status calls and send out regular status emails Schedule training and working sessions as agreed upon in the project plan. Send out meeting agenda	**General:** Complete OpenGov University Training Modules as assigned by OpenGov project team Attend working sessions (planned during the Project Planning Phase)
	Budgeting: OpenGov will: Configure and upload Customer's base budget files into OpenGov budget instances. **Operating Budget** OpenGov will configure: • 1 Budget instance • 2 Proposals (Department) • Corresponding worksheets	**Budgeting:** Customer will: Provide current budget in the format of .csv or .xlsx **Operating Budget** Customer will: • Build out remaining Department Proposal(s) • Build out corresponding

	(single, fund, division, or function) • 1 standard budget Story template **Capital Budget** (CIP) OpenGov will configure: • 1 Budget instance • 2 Proposals (Project) • Corresponding worksheets (single, fund, division, or function) **Workforce Planning** OpenGov will provide: • 4 standard cost elements • Training and guidance on how to set up cost elements • Training and Guidance on how to populate Workforce Template	worksheets for Department proposals • Work within Story Template to add content , **Capital Budget** Customer will: • Build out remaining Project Proposal(s) • Build out corresponding worksheets for Project proposals • Work within Story Template to add content **Workforce Planning** Customer will: • Build out remaining cost elements • Populate position template • Upload position template into OpenGov • Validate Workforce calculations
	Reporting • OpenGov will set up 1 export and dataset view to enable budget reports • OpenGov will set up 3 standard reports using the customer's integrated data. ○ Annual ○ Budget to Actuals ○ Transactions • OpenGov will configure up to 4 reports using OpenGov budget data: ○ Operating Budget ■ Milestones ■ Development ■ Budget Details ■ Categories* ○ Capital Budget ■ Development ■ Details ■ Categories ■ Capital Plan Report *Budget Categories report is only available to customers using a zero-based budget.	**Reporting** • Validate reports have been configured and shared with Customer administrators • Once trained, Customer will map OpenGov budget export to Customer ERP import format

	Online Budget Book
	Based on Best practices OpenGov will build out:
	• Look and feel of Online Budget Book
	• Upload templates for:
	  ○ Table of Contents
	  ○ Budget message
	  ○ Introduction
	  ○ Revenue and Expenditure Assumptions
	  ○ Budget Summary
	  ○ Departmental Information
	  ○ Debt
	• Create Online Budget Book Report
	
	OpenGov Implementation Analyst will conduct review of Online Budget Book templates and work with the Customer to confirm format and approach.
	
	OpenGov will setup 3 OpenGov standard Online Budget Book templates chosen from examples defined above, including 1 completed story from 1 template
		Online Budget Book
		Once trained, Customer will:
		• Set up additional Online Budget Book stories.
		• Create views in Online Budget Book Report
		• Add report views to online budget book stories
		• Add narrative content to Online Budget Book Stories
		• Add any additional content to Online Budget Book Stories

Budget and Reporting Validation	**Budget Validation** The OpenGov Project Manager and Analyst will confirm with Customer's Budget Owner that all budget proposals are configured properly based on the agreed upon format. **Reporting Validation** • Verify that all OpenGov Reports have been configured and shared with Customer	**Budget Validation** Customer's Budget Owner will confirm with the OpenGov Project Manager and Analyst that all budget proposals are configured properly based on the agreed upon format. **Reporting Validation** • Validate that OpenGov system reports defined in best practice acceptance have been configured and shared with customer admins..
Budget and Reporting Admin Training	**Budgeting** OpenGov will train Customer on: • Creating Budget Instances • Creating Budget Proposals • Creating Budget Worksheets	**Budgeting** Attend all instructor-led training sessions needed to perform duties and functions as they relate to OpenGov. (Example: Budget Administrators

	• Communication Tools in the Budget application. • Budget application administration • Workforce Plan administration • Importing and exporting data into the system • Approving and rejecting Budget Proposals	attending How to create Budget Proposals)
	Reporting • Building Reports and Dashboards • Using Saved Views and Masks	**Reporting** Attend all instructor-led training sessions needed to perform duties and functions as they relate to OpenGov.

	Online Budget Book
	OpenGov will:
	• Provide standard templates for:
	  ○ Table of Contents
	  ○ Budget message
	  ○ Introduction
	  ○ Revenue and Expenditure Assumptions
	  ○ Budget Summary
	  ○ Departmental Information
	  ○ Debt
	• Configure up to 3 templates chosen from the above to include:
	  ○ Customer logo
	  ○ Customer branding colors
	  ○ OpenGov report views
	
	Administrator training
	• One 60-Minute session for training:
	  ○ Using and Copying Templates
	  ○ How Datasets and Reports work in Stories
	  ○ How the Online Budget Book works with Transparency Portal
	  ○ Preparing for updating and ongoing use
		Online Budget Book
		Customer will:
		
		• Attend all instructor-led training sessions needed to perform duties and functions as they relate to OpenGov.
		• Build out remaining Stories required for Online Budget Book to include:
		  ○ Narrative
		  ○ OpenGov Report Views
		  ○ Images
		  ○ Data not in OpenGov
		• Provide logo and branding colors to OpenGov

Budget and Reporting Sign Off	Secure sign off from Customer that all agree upon Configurations, Validation and Trainings have completed	Provide sign off that all agree upon Configurations, Validation and Trainings have completed

10.4. Citizen Services Deliverables

Citizen Services: Record Types		
Description	OpenGov Responsibilities	Customer Responsibilities

Record Type Configuration	OpenGov will configure up to 8 standard record type drafts of Customer's record types in the CIT system.
	• Record Type includes:
	  ○ Application Form
	  ○ Workflow
	  ○ Output Document
	  ○ Fees
		Will provide existing supporting documentation needed for project
		• Provide existing application forms
		• Provide current workflows
		• Provide fee structures
		
		Attend weekly work sessions for the purpose of validating, reviewing, and iterating upon draft record types configuration.

Autofill	OpenGov will provide up to 3 Autofills during the deployment, the type of Autofill will be determined by Customer and OpenGov Project Manager based on the data needed in the Autofill. *(Types of Autofills listed below)* Types of Autofills: • Premium Autofill • Standard Autofill • Internal Autofill	Provide data or access to data that is to be used in the Autofill • If Premium Autofill is needed Customer must provide the timing needed for updates.

Citizen Services: Integrations		
Description	OpenGov Responsibilities	Customer Responsibilities
Recurring Master Address Table	OpenGov will import the Customer's location information from your Master Address Table	Customer will provide:

(MAT) Import	(MAT) file (CSV) into CIT.	• A clean MAT including all of the community's location information, • At least 1 unique ID field. ○ The unique ID can never change. *OpenGov does not take responsibility for 'dirty' data.*
ESRI ArcGIS Server Integration	OpenGov will integrate the CIT suite with the Customer's ArcGIS Server.	Customer is responsible for providing a publicly-accessible secure ESRI REST API URL. *Note: WFS link will not suffice*
GIS Flag Integration	OpenGov will enable GIS Flag Integration: • Import a list of flags into the CIT suite. Flags can be provided either on the Parcel Layer or other layer on the GIS Server through the ESRI REST API URL. • Layers must be configured as a polygon--polylines and points are not supported in this integration.	Provide necessary access to GIS Flag information
Accounting & Finance Export	OpenGov will export the data based on the required format and put the files onto Customer's FTP as often as nightly	Provide required format and sample document

Citizen Services: Training		
Description	OpenGov Responsibilities	Customer Responsibilities
OpenGov University	OpenGov will provide access to OpenGov University online courses	Complete OpenGov University Training courses as assigned.
Reporting and Transparency Platform Training	OpenGov will train Customer on: • Importing and Exporting Data into OpenGov Reporting and Transparency Platform • Building Datasets	Attend all instructor lead training sessions needed to perform duties and functions as they relate to OpenGov.
Citizen Services Platform Training	OpenGov will provide System Training designed for system administrators, which will include:	Attend all instructor lead training sessions needed to perform duties and functions as they relate to

	• How to create and customize the public portal in CIT • How to create and customize CIT record types (forms, document templates, fee schedules, workflows) • How to set up inspections in CIT • How to create datasets in CIT • The basic functions of any integrations or other customizations included in the SOW • How to export a dataset from the application	OpenGov.

Record Type Configuration Training	OpenGov will provide 4 Configuration training sessions to enable Customer to own future configuration of Record Types.
	• Sessions will focus on:
	  ○ Hands-on training for building, configuring, and maintaining Record Types in CIT.
	  ○ Best practice recommendations on Record Type:
	  ■ Building
	  ■ Configuring
	  ■ Maintenance
		Attend all instructor lead training sessions needed to perform duties and functions as they relate to OpenGov.
		
		At the end of configuration training sessions, Customer will be responsible for maintenance and configuration of all Record Types.

Internal User Training	OpenGov will provide 4, two-hour training sessions designed for Internal Users such as Inspectors or Intake Review staff.
	• Internal Users are trained to:
	  ○ Understand how to use the system to complete the tasks needed perform their roles/responsibilities
	  ○ Understand the functionality and workflow of the Permitting, Licensing or Code Enforcement process.
	  ○ Build reports in Citizen Services Explorer Module.
		Attend all instructor lead training sessions needed to perform duties and functions as they relate to OpenGov.

Citizen Services: Validations		
Description	OpenGov Responsibilities	Customer Responsibilities
Integration(s) Validation	OpenGov will work with Customer to create a validation plan for integrations to confirm: • Integration is working as expected	Based on the validation plan created with OpenGov Customer will validate: • Integration is working as expected
Record Type Validation	OpenGov will work with Customer to create a validation plan for Record Types to confirm: • Customer Application Forms • Customer Workflow • Output Documents • Customer Fees	Based on the validation plan created with OpenGov Customer will validate: • Customer Application Forms • Customer Workflow • Output Documents • Customer Fees

Citizen Services: Sign Off		
Description	OpenGov Responsibilities	Customer Responsibilities
Project Sign Off	Secure sign off from Customer that all agree upon Configurations, Validation and Trainings have completed	Provide sign off that all agree upon Configurations, Validation and Trainings have completed

10.5. Municipal Court Deliverables

Courts Data Migration		
Description	OpenGov Responsibilities	Customer Responsibilities
Data Discovery	Create SFTP	Provide CSV files Upload to SFTP
Install Court IT Software	• Create SQL Tables on Server • Install Court application on	• Provide Teamviewer connection to server and local

	computers (Court IT) • Install Bullzip, AES Crypt, MS Chart as administrator on all computers (Court IT) • Create Local Folders C:/Court and C:/LTSigs with full administrator rights (Court IT) • Setup Basic Codes and Business Rules with Court Administrator	machines with Admin credentials • Attend instructor lead System Configuration training
Initial Data Migration	Load initial data	Check and confirm data errors and provide data mapping for errors found
Ticket Import (optional)	Turn on and test Brazos ticket import	Get license, AES key, and test tickets setup with Brazos

Courts Testing		
Description	OpenGov Responsibilities	Customer Responsibilities
User Acceptance Testing	Provide document to customer to follow for UAT	Complete document with action items to complete User Acceptance Testing
UAT Signoff	Provide Testing Signoff document	Sign off on UAT Completion: • Go Live Plan Completion • Cutover Planning Checklist

Courts Training		
Description	OpenGov Responsibilities	Customer Responsibilities
Courts Admin Training	Train Court Administrators on document setup • Generic Documents • Process Documents • Special Documents • Complaints • Judgments	Complete document setup prior to golive. Documents include: complaints, judgments, warrants, special documents, process documents, generic documents.
Courts Staff Training	Train Court Staff	Attend all instructor lead training sessions needed to perform duties and functions as they relate to LTS Court

Courts GoLive		
Description	OpenGov Responsibilities	Customer Responsibilities
Final Conversion	Run custom programs to convert data into LTS Courts format	Confirm data is accurate and complete in the application
GoLive	Provide customer support	

11. Appendix

11.1. Project Milestones

This project will be phased in terms of Project Milestones for project delivery:

	Deliverable:
Milestone 1	The projects containing these suites will begin by Feb 1: • Budgeting & Planning • Citizen Services • Procurement • Municipal Courts
Milestone 2	The projects containing these suites will begin by Oct 1: • Financials • Cartegraph • Utility Billing

11.2. Cartegraph

Implementation of the Operations Management System (OMS) includes the following professional services:

Setup

- Cartegraph will setup a hosted production OMS environment.
- Cartegraph will support your staff to populate users to be utilized for OMS or provide to Cartegraph for populating into OMS.

- Cartegraph will setup the OMS Platform, including the Task and Asset Management areas of the software. *Asset Management solutions will be setup for all solutions referenced in the Assets section of the scope unless otherwise noted.*

Training

- Cartegraph will provide a up to four (4) hours remote training. Topics may include any of the following:

    - o Overall system navigation and functionality to help familiarize your staff with the software environment and its common functions.

    - o Task Management:
        - ▪ Create Task(s) (Asset/Non-Asset)
        - ▪ Assignments (Add, Edit, Remove)
        - ▪ Task Menu Actions
        - ▪ Enter Resources

    - o Asset Management:
        - ▪ Asset Details
        - ▪ Inspections

        To avoid redundancy, and to utilize service time efficiently, training may cover a subset of the assets listed in the Asset section of the scope.

    - o Cartegraph One:
        - ▪ Overall system functionality (Navigation, Interface, Maps, Attachments, Sorting)
        - ▪ Work Management
            - ▪ Create and Update Tasks (Asset/Non-Asset)
            - ▪ Assign Tasks
            - ▪ Enter Resources
            - ▪ Inspections
        - ▪ Asset Management
            - ▪ Create and Update Assets
            - ▪ Cartegraph recommended best practices for mobile device use

    - o Administrator:
        - ▪ User Administration
        - ▪ Asset Administration
        - ▪ Process Log
        - ▪ Error Log
        - ▪ System Settings
        - ▪ Asset Color Manager
        - ▪ Library Manager
        - ▪ Import/Export

Data Services

- Cartegraph will provide one import of loading Water Meter Asset data into OMS production.

- Assumptions
    - Customer is responsible for providing data in a flat file in a format that is approved by Cartegraph to use as the import source.

Assets

Asset implementation includes the following professional services:

- Cartegraph will provide installation and training on the following one (1) asset type:

    - Water Distribution (1)
        - Water Meter

- Cartegraph will provide up to five (5) field configurations for each asset type listed above.

Cartegraph will provide all services remotely via audio, video, and web conferences unless otherwise noted.

Exclusions

The following service items are not included in the scope of this project:

- Implementation of any custom modification or integration developed by Cartegraph, your internal staff, or any third-party is not included in the scope of this project unless specifically listed above.
- Data conversion services from other software system(s) or sources (including Cartegraph Navigator databases) are not included in the scope of this project unless specifically listed above.
- Any service items discussed during demonstrations, conference calls, or other events are not included in the scope of this project unless specifically listed above.

AGENDA SUMMARY SHEET
March 22, 2022

AGENDA, ITEM 2

Discuss and take action on Resolution R-09-22, a Resolution of the City Council of the City of Glenn Heights, Texas, authorizing the City Manager to negotiate and execute a contract for collection of solid waste and recyclable materials with Community Waste Disposal, L.P., a Texas Limited Partnership; in substantially the form attached hereto as Exhibit “A”; providing for the repeal of any and all resolutions in conflict; providing a severability clause; and providing for an effective date. (David Hall, City Manager)

Motion	
Second	
For	Garrett, S Brown, Ipaye, Bruton, A Brown, Allen, Newson
Against	Garrett, S Brown, Ipaye, Bruton, A Brown, Allen, Newson
Abstain	
Approve/ Deny/ Table	

CITY OF GLENN HEIGHTS
CITY COUNCIL REPORT

Date: March 22, 2022

SUBJECT

This agenda item will allow City Council to authorize the City Manager to execute a contract with Community Waste Disposal, LP for Collection of Solid Waste and Recyclable Materials, for a term of five years.

DISCUSSION / BACKGROUND

On February 7, 2017, the City Council authorized a five-year extension for the collection and removal of solid waste and recyclable materials with Waste Management of Texas Inc. (WM). The contract is set to expire on May 31, 2022. This five-year contract includes annual increases based on the consumer price index for garbage and trash collection costs.

In April 2021, the City received its final notification from Waste Management of Texas, Inc. to increase the waste disposal rate by 3%, going from $13.77 per home to $14.18. In addition, the City increased the residential rate for the customer from $15.15 per home to $15.60.

The current agreement with WM expires on May 31, 2022. In the preceding several months staff met with WM to negotiate a new contractual extension. In good faith, Waste Management submitted a proposal for the City's consideration.

To ascertain the value of Waste Management's proposal, staff felt it would be in the City's best interest to contact other solid waste providers to obtain other proposals as a comparison. In response, the City received a proposal from Community Waste Disposal, LP (CWD). The initial proposal from CWD quoted a lesser cost than what WM proposed in its first year. Moreover, CWD's proposal also provides a better value to the Glenn Heights community with respect to brush waste services.

PRIOR COUNCIL OR BOARD ACTION

Since February 7, 2017, the City Council has authorized four annual extensions of the WM agreement for residential waste disposal services.

PUBLIC CONTACT

Not applicable.

FINANCIAL IMPACT

By entering a new contract, a net increase to the residential solid waste and recycling/bulky waste collection charged by CWD to the City of Glenn Heights will be **2.5%**. **The old rate of $14.18 per home will now be $14.54 per home.** The effective date of the increase is June 1, 2022. Had the City renewed with Waste Management the rate per home would be **$15.20**, which is an increase of **7.2%.**

Appendix A, Fee Schedule, sec. A5.007 of the City's Code of Ordinances establishes the monthly fee charged by the City to residents for waste disposal services as "Actual cost plus 10% per contract". **Accordingly, the new monthly rate charge for residents will change from $15.60 to $15.99**, an increase of **$0.39**, effective June 1, 2022.

RECOMMENDATION / ALTERNATIVES

Staff recommends City Council approve a resolution authorizing the City Manager to enter into an agreement with Community Waste Disposal (CWD) for solid waste and recycling services for a term of five years.

ATTACHMENTS

1. Resolution R-09-22
2. Proposal Response - Community Waste Disposal

PREPARED BY

David Hall, JD, City Manager

REVIEWED BY

Clifford Blackwell, Deputy City Manager

RESOLUTION R-09-22

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GLENN HEIGHTS, TEXAS, AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND EXECUTE A CONTRACT FOR COLLECTION OF SOLID WASTE AND RECYCLABLE MATERIALS WITH COMMUNITY WASTE DISPOSAL, L.P., A TEXAS LIMITED PARTNERSHIP; IN SUBSTANTIALLY THE FORM ATTACHED HERETO AS EXHIBIT "A"; PROVIDING FOR THE REPEAL OF ANY AND ALL RESOLUTIONS IN CONFLICT; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, Waste Management of Texas, Inc. currently provides the City's solid waste and recyclable materials collection and disposal under a contract term that expires May 31, 2022; and

WHEREAS, due to pricing increases demanded by Waste Management, the City desires to contract with Community Waste Disposal, L.P., a Texas limited partnership ("CWD"), to provide solid waste and recyclables collection and disposal services within the City limits; and

WHEREAS, the City Manager has been in negotiations with CWD and the parties have agreed, in principal to a contract for the provision of such services on the terms set forth in the attached Exhibit "A"; and

WHEREAS, the Council finds that it is in the best interest of the City and its citizens to authorize the City Manager to negotiate and execute a contract with CWD in substantially the form of that attached hereto as Exhibit "A";

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GLENN HEIGHTS, TEXAS:

SECTION 1. The terms of the Contract with Community Waste Disposal, L.P. for Collection of Solid Waste and Recyclable Materials (the "Contract"), attached hereto as Exhibit "A", is approved and the City Manager is authorized to continue negotiations with Community Waste Disposal, L.P. and, at the conclusion of those negotiations, to execute a contract in substantially the form and on substantially similar terms to those set forth in Exhibit "A". The City Manager is further authorized to execute any related documents necessary to effect the services contemplated under the Contract.

SECTION 2. All resolutions of the City of Glenn Heights heretofore adopted which are in conflict with the provisions of this resolution be, and the same are hereby repealed, and all resolutions of the City of Glenn Heights not in conflict with the provisions hereof shall remain in full force and effect.

SECTION 3. If any article, paragraph, subdivision, clause or provision of this resolution, as hereby amended, be adjudged invalid or held unconstitutional for any reason, such judgment or holding shall not affect the validity of this resolution as a whole or any part or provision thereof, as amended hereby, other than the part so declared to be invalid or unconstitutional.

SECTION 4. This resolution shall take effect immediately from and after its passage, and it is accordingly so resolved.

DULY PASSED by the City Council of the City of Glenn Heights, Texas, this the 22nd day of March, 2022.

APPROVED:

_____
HARRY A. GARRETT, MAYOR

ATTEST:

_____
BRANDI BROWN, CITY SECRETARY

APPROVED AS TO FORM:

_____
VICTORIA W. THOMAS, CITY ATTORNEY
(030922VWTtm128523)

EXHIBIT “A”
[Draft: Contract with Community Waste Disposal, L.P. for Collection of Solid Waste and Recyclable Materials]

CONTRACT WITH COMMUNITY WASTE DISPOSAL, LP
FOR COLLECTION OF SOLID WASTE AND RECYCLABLE MATERIALS

THIS CONTRACT is made and entered into by and between the City of Glenn Heights, a Texas home-rule municipality located in Ellis County and Dallas County, Texas ("hereinafter called "City"), and Community Waste Disposal, LP (hereinafter called "Contractor"), a Texas limited partnership. The City of Glenn Heights and Contractor may each be referred to herein as a "Party" and together as the "Parties".

NOW, THEREFORE, in consideration of the following mutual agreements and covenants, it is understood and agreed by and between the Parties hereto as follows:

1. Grant of Franchise

Contractor is hereby granted an exclusive franchise within the corporate limits of the City of Glenn Heights to conduct business for the purpose of collection and disposal of residential, commercial, and industrial recyclable materials, solid waste, garbage, refuse, trash and rubbish subject ot the terms hereof and pursuant to said franchise, Contractor shall furnish all personnel, labor, equipment, trucks, and all other items necessary to provide refuse collection, removal and disposal services and recyclable materials collection as specified and to perform all of the work called for and described in the Contract Documents.

2. Contract

A. The Contract Documents includes the following documents:

1. This Contract;
2. Rate Agreement Schedule A (attached hereto and incorporated herein by reference as Exhibit A); and
3. Any subsequent addenda or changes to the foregoing documents agreed to in writing by the parties hereto.

B. Contractor shall comply with all provisions of the Contract Documents, and no amendment to this Contract or the Contract Documents shall be made except upon the written consent of the Parties. No amendment shall be construed to release either Party from any obligation of the Contract Documents except as specifically provided for in such written amendment.

C. This Contract constitutes the entire understanding between the parties hereto and cancels and supersedes all prior negotiations, representations, understandings and agreements, either written or oral, with respect to the subject matter hereof.

3. Definitions

The following terms, when used herein, whether capitalized or lower case shall have the respective meanings assigned thereto as follows:

DRAFT

Bags: Plastic sacks, designed to store refuse with sufficient wall strength to maintain physical integrity when lifted by the top. Total weight of a bag and its contents shall not exceed forty (40) pounds.

Loose Brush: Loose tree, shrub or brush trimmings stacked together forming an easily handled package. All limbs must be placed with trunks parallel to the street, but not blocking the sidewalk. No limbs shall be greater than six (6) inches in diameter, weight more than 40 pounds, or be longer than four (4) feet. Brush piles must be free of all foreign debris.

Bundled Brush: Tree, shrub or brush trimmings securely tied together forming an easily handled package not exceeding four (4) feet in length, forty (40) pounds in weight or a single limb greater than six (6) inches in diameter

Bulky Waste: Stoves, refrigerators which have CFC's removed by a certified technician, water tanks, washing machines, furniture, with weights not to exceed 150 pounds, and other waste materials other than Dead Animals, Hazardous Waste, or Stable Matter with weights or volumes greater than those allowed for Bags or Polycarts, as the case may be. Bulky waste does not include brush.

City: City of Glenn Heights, Texas and its successors and permitted assigns.

Commercial and Industrial Refuse: All Bulky Waste, Garbage, Rubbish and Stable Matter generated by a Customer at a Commercial and Industrial Unit.

Commercial and Industrial Unit: All premises, locations or entities, public or private, requiring Refuse collection within the corporate limits of the City of Glenn Heights, not a Residential Unit.

Commercial Cart Collect Unit: A retail or light commercial type of business, which generates no more than one (1) cubic yard of refuse per week.

Commodity: Material that can be sold in a spot or future market for processing and use or reuse.

Commodity Buyer: A buyer or processor selected by Contractor pursuant to the Contract Documents, of Recyclable Materials delivered by Contractor.

Compactable Waste: Items that can be crushed under the weight of compaction equipment.

Container: Any receptacle, including but not limited to dumpsters, Roll-Offs and Poly-Carts provided to the City by the Service Provider, and utilized by a Commercial, Industrial or Residential Unit for collecting Solid Waste, Construction and Demolition Waste, or Recyclable Materials. Containers are designed to hold between thirty (30) gallons and forty (40) cubic yards of Solid Waste.

Construction Debris: Solid Waste resulting from construction or demolition activities, or that is directly or indirectly the by-product of such activities, including but not limited to cartons, concrete, excelsior, gypsum board, metal, paper, plastic, rubber, and wood products. Construction and Demolition Waste does not include Hazardous Waste, Municipal Solid Waste, Recyclable Materials, or Bulky Items

Contract Documents: Collectively, the documents identified in Section 2A hereof.

Contractor: Community Waste Disposal, LP and its successors and permitted assigns.

Curbside: That portion of right-of-way adjacent to paved or traveled City of Glenn Heights roadways (including alleys). The curbside is as close to the roadway as practicable without interfering with or endangering the movement of vehicles or pedestrians.

Customer: An occupant of a Residential, Commercial, or Industrial Unit who generates Refuse or Recyclable Materials.

Dead Animals: Animals or portions thereof equal to or greater than ten (10) pounds in weight that have expired from any cause except those slaughtered or killed for human use.

Disposal Site: A Refuse depository including, but not limited to, sanitary landfills, transfer stations, incinerators and waste processing/separation centers licensed, permitted or approved by all governmental bodies and agencies having jurisdiction and requiring such licenses, permits or approvals to receive for processing or final disposal of Refuse and Dead Animals.

Environmental Regulation: Any law, statute, regulation, order or rule now or hereafter promulgated by any governmental authority, whether local, state or federal, relating to air pollution, water pollution, noise control and/or transporting, storing, handling, discharge, disposal or recovery of on-site or off-site hazardous substances or materials, as same may be amended from time to time, including without limitation the following: (i) the Clean Air Act (42 U.S.C. § 7401 et seq.); (ii) Marine Protection, Research and Sanctuaries Act (33 U.S.C. § 1401-1445); (iii) the Clean Water Act (33 U.S.C. § 1251 et seq.); (iv) Resource Conservation and Recovery Act, as amended by the Hazardous and Solid Waste Amendments of 1984 (42 U.S.C. § 6901 et seq.); (v) Comprehensive Environmental Response Compensation and Liability Act, as amended by the Superfund Amendments and Reauthorization Act of 1986 (42 U.S.C. § 9601 et seq.); (vi) Toxic Substances Control Act (15 U.S.C. § 2601 et seq.); (vii) the Federal Insecticide, Fungicide and Rodenticide Act as amended (7 U.S.C § 135 et seq.); (viii) the Safe Drinking Water Act (42 U.S.C. § 300 (f) et seq.); (ix) Occupational Health and Safety Act (29 U.S.C. § 651 et seq.); (x) the Hazardous Liquid Pipeline Safety Act (49 U.S.C. § 2001 et seq.); (xi) the Hazardous Materials Transportation Act (49 U.S.C. § 1801 et seq.); (xii) the Noise Control Act of 1972 (42 U.S.C § 4901 et seq.); (xiii) Emergency Planning and Community Right to Know Act (42 U.S.C §§ 11001-11050); and (xiv) the National Environmental Policy Act (42 U.S.C §§ 4321–4347).

Garbage: Any and all dead animals of less than 10 lbs. in weight, except those slaughtered for human consumption; every accumulation of waste (animal, vegetable and/or other matter) that results from the preparation, processing, consumption, dealing in, handling, packing, canning, storage, transportation, decay or decomposition of meats, fish, fowl, birds, fruits, grains or other animal or vegetable matter (including, but not by way of limitation, used tin cans and other food containers; and all putrescible or easily decomposable waste animal or vegetable matter which is likely to attract flies or rodents); except (in all cases) any matter included in the definition of Bulky Waste, Construction Debris, Dead Animals, Hazardous Waste, Rubbish or Stable Matter.

Handicapped Residential Unit: Any residential dwelling that is inhabited by persons, all of whom are physically handicapped to the extent that they are unable to place Solid Waste or Recyclable Materials at the curbside, and that generates and accumulates Solid Waste or Recyclable Materials. A Handicapped Residential Unit shall be certified by the Contractor. The contractor shall be compensated for Handicap Service in accordance with the rates listed in Exhibit A.

Household Hazardous Waste: Household products that contain corrosive, toxic, ignitable, or reactive ingredients, including paints, cleaners, oils, batteries, pesticides, CFS, fluorescent batteries, etc., and consumer electronic equipment that is near or at the end of its useful life.

Hazardous Material: Any pollutant, toxic substance, hazardous waste, hazardous material, hazardous substandard, solvent or oil as defined by any federal, state or local Environmental Regulation.

Hazardous Waste: Solid wastes regulated as hazardous under the Resource Conservation and Recovery Act, 42 U.S.C. Section 1002, et seq., or regulated as toxic under the Toxic Substances Control Act, 15 U.S.C.A. Section 2601 et seq., regulations promulgated thereunder or applicable state law concerning the regulation of hazardous or toxic wastes. Waste in any amount, which is defined, characterized or designated as hazardous by the United States Environmental Protection Agency or any appropriate state agency by or pursuant to Federal or State Law. For purpose of this Contract, the term hazardous waste shall also include motor oil, fuel, paint and paint cans.

Landfill (Sanitary): A Texas Class I landfill, or any other alternate, duly permitted sanitary landfill as selected and approved for use by the City of Glenn Heights.

Non-compactable Waste: Brick, concrete, dirt, composition shingles, ceramic tile and related like items that cannot be crushed under the weight of compaction equipment.

Overflow: All Garbage generated at a Residential, Commercial or Industrial Unit that does not fit inside the Container(s) with the lid(s) closed.

CWD Polycart: A wheeled receptacle with a maximum capacity of 95 gallons constructed of plastic, designed for waste collection systems, and having a tight-fitting lid capable of

preventing entrance into the container by small animals. No more than 40 pounds of materials allowed inside Polycart**.**

Premises: All public and private establishments, including individual residences, all multi-family dwellings, residential care facilities, hospitals, schools, businesses, other buildings, and all vacant lots.

Recyclable Materials: Commodities collected by the Contractor from residential Units and Commercial Units pursuant to the Contract Documents, which can be sold in a spot or future market for processing and use or reuse including, but not limited to, office paper, newsprint, magazines, plastic (PET and HDPE) bottles, glass containers (clear, brown and green), aluminum cans, metal (tin) cans, and household paper products to include junk mail, envelopes, cereal boxes, cardboard, chipboard, and telephone books.

Recycling Center: A recyclable materials depository, including but not limited to transfer stations, incinerators, and waste processing/separation center licensed, permitted or approved by all governmental bodies and agencies having jurisdiction and requiring such licensed, permits or approvals to receive recyclables for processing.

Refuse: Residential Refuse and Bulky Waste, and Stable Matter generated at a Residential Unit, unless the context otherwise requires, and Commercial and Industrial Refuse.

Residential Refuse: All Garbage and Rubbish generated by a Customer at a Residential Unit.

Residential Unit: A dwelling within the corporate limits of the City of Glenn Heights occupied by a person or group of persons comprising not more than four families. A Residential Unit shall be deemed occupied when either water or domestic light and power services are being supplied thereto. A residential dwelling, whether of single or multi-level construction, consisting of four or less units, shall be treated as a Residential Unit, except that each single-family dwelling within any such Residential Unit shall be billed separately as a Residential Unit.

Roll Off: a Container with twelve (12) cubic yards to forty (40) cubic yards of capacity.

Rubbish: All waste wood, wood products, tree trimmings, grass cuttings, dead plants, weeds, leaves, dead trees or branches thereof, chips, shavings, sawdust, printed matter, paper, pasteboard, rags, straw, used and discarded mattresses, used and discarded clothing, used and discarded shoes and boots, combustible waste pulp and other products such as are used for packaging, or wrapping crockery and glass, ashes, cinders, floor sweeping, glass mineral or metallic substances, and any and all other waste materials not included in the definition of Bulky Waste, Dead Animals, Garbage, Hazardous Waste or Stable Matter.

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Solid Waste: All non-hazardous (as defined by CERCLA and other applicable State and Federal laws and regulations) and solid waste material including unwanted or discarded waste material in a solid or semi-solid waste, including but not limited to, garbage, ashes, refuse, rubbish, yard waste (including brush, tree trimmings and Christmas trees), discarded appliances, home furniture and furnishings.

Stable Matter: All manure and other waste matter normally accumulated in or about a stable, or any animal, livestock or poultry enclosure, and resulting from the keeping of animals, poultry, or livestock.

Unacceptable Waste: Contractor debris, and household hazardous waste.

Yard Waste: Decomposable plant materials, including brush, leaves, grass, weeds and other vegetation

4. Scope and Nature of Operation

A. Residential Collection: Contractor shall provide sufficient vehicles and employees to provide curbside collection service for the collection of residential refuse, solid waste, and recyclable materials to each residential unit, as outlined in Exhibit A, when placed at curbside by 7:00 a.m. on the designated collection day. Further, Contractor shall provide a copy of maps indicating the routes used in the collection of waste from all residential customers.

B. Residential solid waste collection services:

1. The Contractor shall provide residential solid waste collection services as described in Exhibit A.
2. Contractor will be responsible for delivering refuse CWD Polycarts to each residential Customer. Residential Customers will be charged $85.00 for replacement of lost or stolen carts or carts damaged other than through routine collections.
3. The Contractor shall pick up solid waste placed in a CWD Polycart and Bulky Waste at the residential Customer's curb. At Customer's request, excessive amounts of rubbish, brush and trees may be collected and disposed of by Contractor for a special haul fee mutually agreed upon by Contractor and such Customer. The special haul fee will be defined as a specific cubic yard measurement outlined in Exhibit A.

C. Residential Recycling Collection:

1. The Contractor shall provide residential recycling collection services as described in Exhibit A.
2. Contractor will be responsible for delivering recycling CWD Polycarts to each residential Customer. Residential Customers will be charged $85.00

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for replacement of lost or stolen carts or carts damaged other than through routine collections.

3. The Contractor shall pick up recycling material placed in the CWD Polycart at the residential Customer's curb.
4. Contractor shall also provide the City of Glenn Heights a recycling report detailing volume collected.

D. Commercial and Industrial Accounts: The Contractor shall be the exclusive provider of Commercial and Industrial Refuse collection service to any persons or entities located within the corporate limits of the City of Glenn Heights. Contractor shall provide sufficient vehicles and employees to collect and remove solid waste from the premises of commercial and industrial Customers that select Contractor to provide service at such frequency as shall be reasonably requested by the owner or agent. Collection service shall be a minimum of once a week or more to maintain premises free of accumulation of waste. Collection may be in CWD Polycarts or a Container as designated by the Customer. If collection is from a container, that container should be located on a concrete pad to accommodate collection equipment. The Contractor shall be compensated for the Front Load Commercial Trash Services, in accordance with the rates listed in Exhibit A, hereof.

E. Roll-Off Services: The Contractor shall be the exclusive provider of Roll-Off Containers to any Commercial or Industrial Units located within the corporate limits of the City of Glenn Heights, and requesting such service, excluding Residential Units. Roll-Off Services shall be in accordance with the terms and conditions agreed to by the Contractor and the requesting party. At a minimum, the Roll-Off Services provided by the Service Provider shall consist of:

1. The delivery and placement of the Roll-Off;
2. The collection and hauling of the Roll-Off; and
3. The disposal of the Solid Waste placed in the Roll-Off (the "Roll-Off Services").

The Contractor shall be compensated for the Roll-Off Services, in accordance with the rates listed in Exhibit A, hereof.

F. Contractor Removal of Construction and Demolition Waste: Notwithstanding the above Section 4.E., it is understood and agreed that a construction contractor may haul and dispose of Construction and Demolition Waste from a construction or remodel job located within the corporate limits of the City of Glenn Heights that it was hired to perform; provided that the construction contractor uses its own equipment for the storage, hauling, and disposal of such Construction and Demolition Waste. Nothing in this Section 4.F. shall allow a third-party to hire or subcontract for Roll-Off Services in violation of Section 4.E., herein.

G. Unusual Accumulations Collection: The Contractor may reasonably charge for the collection of unusual accumulations, provided that any and all services impacted by a Force Majeure event are recovered.

H. City Services: The Contractor shall provide services and obligations outlined in Exhibit A – City Services at no charge to the City of Glenn Heights.

I. Implementation Plan: City of Glenn Heights shall work with Contractor to approve an informational brochure which Contractor will deliver with each residential Polycart and to each commercial and industrial customer address.

J. Holiday Schedule: The following shall be holidays for the purpose of this Contract. The Holiday Collection Schedule is set forth below. Amendments to the Holiday Collection Schedule shall be agreed upon by the City of Glenn Heights and the Contractor. Any residential services that fall on or after a designated holiday, residential collection will slide one day, concluding on Saturday.

Holidays:

1. New Year's Day
2. Memorial Day
3. Independence Day
4. Labor Day
5. Thanksgiving Day
6. Christmas Day

Holiday Collection Schedule:

5. Collection Operation

A. Residential Hours of Operation: Contactor shall collect garbage and solid waste and recyclables only between the hours of 7:00 a.m. and 7:00 p.m.

B. Hours of Disposal: Contractor shall dispose of waste within the operating hours of disposal site.

C. Routes of Collection: Collection routes shall be established by Contractor and approved by the City of Glenn Heights. City shall be provided route collection maps and container locations.

D. Customer Grievances:

1. Grievances shall be made directly to Contractor. Contractor shall promptly respond to all Customer Grievances. At a minimum, the Contractor will remedy a Grievance in accordance with the schedule below. The Contractor shall be responsible for maintaining a log of Grievances which reflects the date the grievance was received, nature of the grievance and identity of Customer submitting the grievance. If requested by the City and on an as-needed basis,

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the Contractor will provide, to their best ability, the nature of resolution of grievance, and date of resolution.

2. City of Glenn Heights shall notify Contactor of each Grievance reported to the City of Glenn Heights in order for Contractor to take whatever reasonable steps are necessary to remedy the cause of the Grievance.

Scheduled Customers	By close of business on their scheduled service day
On-Call Customers	Within one business day (24 hours) of their call
Missed Collection (trash, recycling, bulk) or Cart Delivery	1. Contact CWD before 12:00pm on scheduled service day: Receive same day service. 2. Contact CWD after 12:00pm on scheduled service day if route driver is still in the city : Receive same day service. 3. If driver is not in the city: Driver will return on next scheduled business day when like services are being performed. 4. Day after scheduled service day-Contact CWD before 12:00pm: Receive same day service. 5. Day after scheduled service day-Contact CWD after 12:00pm: Receive service next scheduled business day when like services are being performed.

E. Collection Equipment:

1. Contractor, at its sole cost and expense, agrees to furnish all trucks, equipment, machines and labor which are reasonably necessary to adequately, efficiently and properly collect and transport garbage,solid waste, brush, and bulky waste from accounts serviced by Contractor in accordance with this Contract. Collection of garbage, solid waste, brush and bulky waste shall be made using sealed packer-type trucks and/or roll off trucks and such equipment shall not be allowed to leak nor scatter any waste within the boundaries of the City of Glenn Heights nor while enroute to the disposal site, where such accumulation shall be dumped.

2. All motor vehicles and heavy collection equipment used in performance of the obligations herein created shall be clearly marked with Contractor's name, telephone number and unit number legible from 150 feet. Contractor shall maintain all collection equipment in a safe and efficient working condition throughout the term of this Contract. Contractor's vehicles shall be maintained and painted as often as necessary to preserve and present a well-kept appearance, and further shall be subjected to a regular preventative maintenance program.

F. Disposal: Contractor shall deliver all solid waste collected to a licensed Class I sanitary landfill operated in compliance with rules stipulated by the Texas Commission on Environmental Quality (TCEQ) and/or the Environmental Protection Agency (EPA). Contractor shall deliver all household hazardous waste to a landfill legally permitted to accept such waste.

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G. Spillage: Contractor shall not be responsible for scattered refuse unless the same has been caused by its equipment or its acts, omissions or those of any of its employees, in which case all scattered refuse shall be picked up immediately by Contractor. Contractor will not be required to clean up or collect loose refuse or spillage not caused by its equipment or the acts or omissions of its employees, but shall report the location of such conditions so that proper notice can be given to the customer at the premises to properly contain refuse.

H. Vicious Animals: Employees of Contractor shall not be required to expose themselves to the dangers of vicious animals in order to accomplish refuse collection in any case where the owner or tenants have animals at large, but Contractor shall immediately notify the City of Glenn Heights, in writing, of such condition and of its inability to make collection.

6. Recyclable Materials

Contractor shall provide a single-stream recyclable collection service. The City of Glenn Heights will not be required to separate recyclable materials by type of material. Contractor shall be totally responsible for the processing and marketing of all recyclable materials collected pursuant to this Contract.

7. Ownership

Title to Refuse, Solid Waste, Dead Animals and Recyclable Materials shall pass to Contractor when removed by Contractor from a Customer's curb as a part of Contractor's normal collection process.

8. Employees

Contractor shall employ sufficient numbers of employees to meet its obligations under this contract and all of Contractor's employees shall be fully qualified to perform the duties assigned to them.

9. Reporting Requirements

Contractor shall provide, at a minimum, the following types of reports within the time periods specified:

1. Monthly reports, within three (3) weeks of the end of the reporting period, detailing: tonnage of recycling, service opportunities and grievances.
2. Annual reports on the status of the terms and conditions of this Contract and any points that need to be addressed, including safety reports, incident reports, customer Grievance reports.

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10. Gross Vehicle Weight Limits

Contractor specifically reserves the right to adjust the size of Commercial containers and the frequency of collections of such containers if Contractor determines that hauling an individual roll-off container will cause Contractor to exceed its maximum license limits as approved by State of Texas for gross vehicle weight ("GVW"). In such instances, Contractor shall give reasonable written notice to the Customer and adjust the size of said containers and/or the frequency of service to achieve compliance with GVW limits. For all GVW pounds in excess of 54,000 pounds, Contractor may charge the Commercial Customer two and one-half (2.5) times the standard disposal fee.

11. State, Local, and Federal Regulations

Contractor agrees to comply with all of the existing laws of the United States, this State, and the City of Glenn Heights and any further laws which may be enacted by the United States, this State, or the City of Glenn Heights and agrees to comply with the regulations of any regulatory body or officer authorized to prescribe or enforce regulations pertaining to the subject matter of this Contract, it being expressly agreed that nothing in this Contract shall be construed in any manner to abridge the right of the City of Glenn Heights to pass or enforce necessary police and health regulations for the protection of its inhabitants. The Contractor is subject to the provisions of chapters 49, 51 and 53 of the Texas Water Code, state statutes and the Texas Constitution.

12. Licenses and Taxes

Contractor shall obtain all required licenses and permits and promptly pay all required taxes.

13. Vehicle Identification

All vehicles and equipment used by Contractor shall be clearly marked on each side with Contractor's name and telephone number in letters not less than two inches (2") in height.

14. Non-collection Notice and Follow-Up

1. Where the owner or occupant of any premises is maintaining improper or inadequate refuse or recycling containers, Contractor shall refrain from collecting all or a portion of such refuse or recycling and will notify the City of Glenn Heights and/or the owner or occupant thereof within 24 hours thereafter of the reason for such non-collection.

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15. Remuneration

The City of Glenn Heights shall pay for services hereunder in accordance with the attached Exhibit A. The rates charged by Contractor hereunder are subject to the Annual Adjustment Model as set forth in Section 16, beginning 12 months after the contract effective date. Contractor shall make a written request for any such adjustment no later than 30 days prior to the date on which the adjustment is intended to take effect. Such request shall be accompanied by supporting materials evidencing the basis for such adjustment. City of Glenn Heights may accept or reject a requested annual rate adjustment as detailed in section 16 hereof. The City of Glenn Heights will pay contractor for residential service (refuse and recycle) by the last day of the month following the month of service. Payment to be calculated by multiplying the month-end house counts by the applicable refuse and recycle rate.

16. Rate Adjustment Model and Revenue Sharing Model

ANNUAL ADJUSTMENT MODEL

All rates charged by Community Waste Disposal (contractor) will be subject to an Annual CPI/Fuel/Disposal Cost Adjustment. The first annual adjustment will be effective twelve (12) months from the contract date, and subsequent adjustments will be made each year through the term of the contract. The Annual Adjustment will be applicable to all charges for Trash, Recycling, and other services for both residential and commercial services as contained in the contract. Rates and fees will be adjusted by the contractor for the second and subsequent Contract years for the term of the contract, based on the indices and methodology as described below. If any index defined herein shall not be determined and published or if any index as it is constituted on the Contract Date is thereafter substantially changed, there shall be substituted for such index another index which is determined and published on a basis substantially similar to the index being replaced as shall be mutually agreed upon by the City of Glenn Heights and the Contractor. The percentage breakdown among the three components of the annual adjustment (CPI, Fuel, Disposal) will vary based on the type of service rendered (System) and can be found on the System Chart below. The Annual Rate Adjustment is not based on service performance .

CPI (*see System Chart for %*)

The basis for the CPI component of the annual increase will be the increase in the "Consumer Price Index – All Urban Consumers", all items (not seasonally adjusted) **less Energy**, for the Dallas-Fort Worth, TX Area as published by the U.S. Department of Labor Bureau of Labor Statistics. The contractor has designated (*see System Chart for amount*) % of fees and charges to be adjusted by the CPI index. For the Annual Cost Adjustment to be effective on the first anniversary of the contract date, the Base or previous CPI index will be the most recent index published two (2) months prior to the date of the contract, and the Current CPI Index will be the most recent Index published two (2) months prior to the current year's contract anniversary date. For subsequent years the Base CPI will be the then-previous year's "Current Index Value" and the Current CPI Index will be the most recently published Index two (2) months prior to the then-current year's contract anniversary date.

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CNG FUEL (*see System Chart for %*)

The Fuel portion of the Annual Adjustment will be determined using the increase in the Henry Hub Natural Gas Spot Price (Dollars per MMBTU) as published by the Energy Information Administration of the U.S. Department of Energy (https://www.eia.doe.gov/dnav/ng/hist/rngwhhdm.htm). The contractor has designated (*see System Chart for amount*) % of fees and charges to be adjusted by the fuel index. For the Annual Cost Adjustment to be effective on the first anniversary of the contract date, the Base or Previous Fuel Index will be the average Henry Hub Natural Gas price per MMBTU for the most recent three (3) month period ending two (2) months prior to the date of the contract. The Current Fuel Index will be Henry Hub Natural Gas price per MMBTU for the three (3) month period ending two (2) months prior to the contract anniversary date. For all subsequent years of the contract the Base or Previous Fuel Index will be the previous year's "Current Index Value", and the Current Fuel Index will be the average Henry Hub Natural Gas price per MMBTU for the three-month period ending two (2) months prior to the then-current years contract anniversary date.

DISPOSAL (*see System Chart for %*)

The Disposal portion of the Annual Adjustment will be determined using the increase in the gate rate price for the MCCOMMAS Landfill. The contractor has designated (*see System Chart for amount*) % of fees and charges to be adjusted by the Disposal rate changes. For the Annual Cost Adjustment to be effective on the first anniversary of the contract date, the Base or Previous Disposal Index will be the MCCOMMAS Landfill gate rate effective on the date the CWD bid was submitted. The Current Disposal Index will be the MCCOMMAS Landfill gate rate in effect ten (10) months from the contract start date. For all subsequent years of the contract the Base or Previous Index value will be the then-previous year's "Current Index Value", and the Current Fuel Index will be the MCCOMMAS Landfill gate rate in effect one month prior to the then-current year's contract anniversary date. In the event that the designated landfill closes or is no longer available to CWD, a new Landfill Cost per ton will be calculated utilizing the substituted Landfill's rate per ton, plus any additional costs associated with increased time in/out of the new landfill, and increased travel to the new Landfill.

SYSTEM CHART

	Front Load Trash	Roll Off Trash	Roll Off Excessive Weight	Residential Trash	Recycle
CPI	65%	55%	0%	66%	84%
CNG Fuel	5%	5%	0%	4%	5%
Disposal	30%	40%	100%	30%	11%
Total	100%	100%	100%	100%	100%

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EXAMPLE (Recycle)

Contractors Base Fee Adjustment Indices	Index Percentage	Previous (Base) Index Value	Current Index value	Change in Index Value	Index Percentage Change	% Applied to Annual Cost Adjustment
Consumer Price Index	84%	217.487	220.097	2.610	1.20%	1.01%
CNG Fuel Cost	5%	$2.914	$2.987	$0.073	2.51%	0.13%
Disposal Cost	11%	$20.00	$20.40	$0.40	2.00%	0.22%
Annual Adjustment	100%					1.36%

RECYCLE REVENUE SHARING MODEL

The CWD revenue sharing program factors market value of material, a known component Percentage of the materials, and the per ton processing fee. The commodities pricing is determined by highly respected national journals that regularly determine the value of each material we will be collecting from the residents. This price is applied to the attached spreadsheet to determine the overall value of the tonnage collected from your community.

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Community Waste Disposal Recycle Revenue Sharing Calculations							
CITY OF GLENN HEIGHTS							
	Total Tons Received by CWD Annually (estimated)					1,100	
	Per Ton Processing Fee & Transportation Fee (**Note 1**)					$ 82.57	Adj Annually
	Total Processing Fee				**Note 4**	$ 90,827.00	
			Adj Annually	**Note 3**	Adjusted Monthly		
	https://www.msn.co	**Commodity**	**Component %**	**Pricing Structure**	**Pubished Value Dollars Per Ton**	**Total $**	**Tons**
		ONP	14.00%	PPI - #8 Southwest Hi	$ 105.00	$ 16,170.00	154.00
		OCC	19.71%	PPI #11 Southwest Hi	$ 165.00	$ 35,773.65	216.81
		Mixed Paper	9.87%	PPI Mixed Paper #2 Hi	$ 85.00	$ 9,228.45	108.57
		Aluminum	0.77%	SMP - Region 8 Houston High	$ 1,320.00	$ 11,180.40	8.47
		Steel/Tin	1.52%	SMP - Region 8 Houston High	$ 5.00	$ 83.60	16.72
		PETE	3.43%	SMP - Region 8 Houston High	$ 450.00	$ 16,978.50	37.73
		HDPE - Natural	1.15%	SMP - Region 8 Houston High	$ 1,200.00	$ 15,180.00	12.65
		HDPE - Colored	0.90%	SMP - Region 8 Houston High	$ 500.00	$ 4,950.00	9.90
		Mixed Plastic	0.19%	SMP - Region 8 Houston High	$ 40.00	$ 83.60	2.09
		Mixed Glass	14.67%	SMP - Region 8 Houston **(Note 5)**	$ (32.00)	$ (5,163.84)	161.37
		Residue	33.79%		$ (27.50)	$ (10,221.48)	371.69
			100.00%		$ 85.68	$ 94,242.88	1,100.00
	Total Gross Recycle Revenue					$ 94,242.88	
	Less Total Processing Fees					$ (90,827.00)	
	Net Revenue					$ 3,415.88	
60%	City Share of Net Positive Revenue					$ 2,049.53	
	Revenue Share Per Ton					-	
						Note 2	

NOTE 1 Processing & Transportation Fees will be adjusted annually based on CPIU, Disposal, and Fuel increases

NOTE 2 Per ton rebate cannot exceed $40 per ton. City will never be required to pay contractor for negative revenue values. Any negative values will carry forward and must be brought back to zero before compensation to the city begins or resumes.

NOTE 3 SMP = Secondary Materials Pricing, PPI = Pulp & Paper Week

NOTE 4 Published Value Dollars Per Ton as of 1-31-2022

NOTE 5 Published Value Dollars Per Ton includes Index price plus $17.00 per ton transportation.

NOTE 6 Any past deficits must be cleared before Revenue Sharing payments begin

Recyclable Material List:

1. **Loss of Sustainable Market –** If a sustainable market is no longer available for a recycle commodity, CWD will inform the City/Town to have it removed from the accepted materials list. Example: There is one glass buyer based in Midlothian Texas, if they will no longer accept our glass, CWD would have no sustainable market for the commodity.

2. **Negative Market Value** – If the value of any of the recycle commodities falls below zero dollars, CWD may petition the City/Town to have the item removed from the accepted materials list. The request to remove the item will not be unreasonably withheld by the City/Town.

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17. Books and Records

The City of Glenn Heights and Contractor agree to maintain at their respective places of business adequate books and records, including financial records, relating to the performance of their respective duties under the provisions of this Contract and such books and records shall be made available at a mutually agreeable time during regular business hours for inspection by the other party or the party's designated representative, upon reasonable advance written notice. The inspecting party shall be responsible for all of their own expenses, including travel and contractual services.

18. Contractor as Independent Contractor of the City of Glenn Heights

Contractor shall have control over and be solely responsible for the actions of its employees and agents during the performance of services under this Contract. Contractor assures the City of Glenn Heights that the actions of Contractor's employees shall be in the best interests of the City of Glenn Heights and its citizens. Contractor and its employees and agents are independent contractors of the City of Glenn Heights and not employees or agents of the City of Glenn Heights.

19. Term

The term of this Contract shall be five (5) years beginning June 1, 2022, through midnight, May 31, 2027, with _____ successive five (5) year renewal terms without further action of either party. Should either Party desire not to renew the contract for an additional five-year period, the Party shall give written notice to the other Party not less than 180 days prior to the expiration of the then-current term.

20. Notices

Any notice required or permitted to be delivered hereunder shall be in writing and shall be deemed to be delivered when deposited in the United States mail, postage prepaid, certified mail, return receipt requested, addressed to the respective part of the address set forth below:

If to the City of Glenn Heights, at:
City of Glenn Heights
Attn: City Manager
1938 S. Hampton Road
Glenn Heights, Texas 75154

If to Contractor, at:
Community Waste Disposal, LP
2010 California Crossing Road
Dallas, TX 75220
ATTN: Greg Roemer, President, CWD

Or such other addresses as the parties may hereafter specify by written notice delivered in accordance herewith.

21. Force Majeure

Notwithstanding anything herein to the contrary, Contractor or City shall not be liable for the failure to perform its duties if such failure is caused by a catastrophe, riot, war, fire, or act of God. Contractor or City shall give notice to the other Party of a force majeure event within three days of the occurrence of the event, but, with regard to a missed collection day, no later than noon on a missed collection day.

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22. Liability Insurance

Minimum Limits of Insurance: The Contractor shall procure and maintain the following minimum types of coverage and upon request by City, shall provide City with evidence of such coverage in force and effect for the then-current term of this Contract:

Type Coverage	**Per Occurrence Minimum**	**Aggregate Minimum**
Worker's Compensation	As required by law and shall cover all employees including drivers.	As required by law.
Comprehensive & General Public Liability	$1,000,000	$2,000,000
Property Damage	$1,000,000	$2,000,000
Comprehensive Auto Liability Bodily Injury $1,000,000 $1,000,000	$1,000,000	$2,000,000
Comprehensive Auto Liability- Property Damage	$500,000	$1,000,000

The City of Glenn Heights reserves the right to review the insurance requirements of this section during the effective period of the contract and any extension or renewal period.

23. Severability

In the event that any provision or portion thereof of any Contract Document shall be found to be invalid or unenforceable, then such provision or portion thereof shall be performed in accordance with applicable laws. The invalidity or unenforceability of any provision or portion of any Contract Document shall not affect the validity or enforceability of any other provision or portion of any Contract Document.

24. Venue

Venue for any action arising under or pursuant to the terms of this Contract shall lie exclusively in the Texas state courts located inDallas County, Texas and the Parties agree to submit to the jurisdiction of said courts.

DRAFT

Signature Page

City of Glenn Heights

_____
By David A. Hall, J.D., City Manager

ATTEST:

_____

COMMUNITY WASTE DISPOSAL, LP
By its: General Partner, CWD Management, Inc.

_____
Greg Roemer, President

ATTEST:

_____

DRAFT

EXHIBIT A
Rate Agreement – Schedule A

Contractor shall charge the following rates for services performed herein. Note: All rates and cart sizes listed below are net to Contractor and are exclusive of the City of Glenn Heights's franchise fee and/or additional tax and fees.

City of Glenn Heights Solid Waste Collection and Recycling Services	June 2022 Net Rate to CWD	June 2022 Customer Rate *(includes 6% franchise fee)*
Note: CWD considers this material as proprietary rate information that could affect their competiveness if the waste services contract goes to competitive bid process. Therefore, CWD requests that their market adjustment, extension request letters and all associated discussion information to be exempt from public disclosure. CWD request this information is exempt from Public Records, and is only		
Residential Collection		
Semi Automated Rear Load Collection Vehicles		
Solid Waste - once a week service - CWD 95-gallon cart Bulky Waste - once a week service - up to 2 cubic yards Tied & Bundled Brush - once a week service - unlimited	$9.50	**N/A**
Additional 95 Gallon Trash Cart (once a week service)	$6.65	**N/A**
Fully Automated Side Load Collection Vehicles		
Residential 95 Gallon Recycling Cart (once a week service)	$5.57	**N/A**
Additional 95 Gallon Recycling Cart (once a week service)	$3.90	**N/A**
Excess Residential Brush/Bulk Rate per Yard (chargeable to resident)	$15.00	**$15.90**
Replacement Carts	$85.00	**$90.10**
Disaster Management Rates		
Roll off Truck and Container (per haul) *	$286.27	**N/A**
Rate per Hour - Grapple Truck *	$195.00	**N/A**
Rate per Hour - Rear Loader with Crew *	$195.00	**N/A**
* Disposal (per ton)	$48.11	**N/A**
Commercial Cart Trash Service		
First 95 Gallon Trash Cart (once a week service)	$21.00	**$22.26**
Price for Each Additional Trash Cart (once a week service)	$16.80	**$17.81**
Commercial Cart Recycle Service		
First 95 Gallon Recycle Cart (once a week service)	$13.50	**$14.31**
Price for Each Additional Recycle Cart (once a week service)	$10.80	**$11.45**

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City of Glenn Heights Solid Waste Collection and Recycling Services	June 2022 Net Rate to CWD	June 2022 Customer Rate *(includes 6% franchise fee)*
Note: CWD considers this material as proprietary rate information that could affect their competiveness if the waste services contract goes to competitive bid process. Therefore, CWD requests that their market adjustment, extension request letters and all associated discussion information to be exempt from public disclosure. CWD request this information is exempt from Public Records, and is only		
Front Load Commercial Trash Container Services		
2 Cubic Yard Container		
One time per week	$80.61	**$85.45**
Two times per week	$149.22	**$158.17**
Three times per week	$207.53	**$219.98**
Four times per week	$265.87	**$281.82**
Five times per week	$323.03	**$342.41**
Six times per week	$382.50	**$405.45**
3 Cubic Yard Container		
One time per week	$92.21	**$97.74**
Two times per week	$170.59	**$180.83**
Three times per week	$237.31	**$251.55**
Four times per week	$160.53	**$170.16**
Four times per week	$303.99	**$322.23**
Five times per week	$370.70	**$392.94**
Six times per week	$437.41	**$463.65**
4 Cubic Yard Container		
One time per week	$115.29	**$122.21**
Two times per week	$213.34	**$226.14**
Three times per week	$296.70	**$314.50**
Four times per week	$380.01	**$402.81**
Five times per week	$463.36	**$491.16**
Six times per week	$546.66	**$579.46**
6 Cubic Yard Container		
One time per week	$138.31	**$146.61**
Two times per week	$256.23	**$271.60**
Three times per week	$356.31	**$377.69**
Four times per week	$456.43	**$483.82**
Five times per week	$556.56	**$589.95**
Six times per week	$656.67	**$696.07**
8 Cubic Yard Container		
One time per week	$173.10	**$183.49**
Two times per week	$320.28	**$339.50**
Three times per week	$445.55	**$472.28**
Four times per week	$570.81	**$605.06**
Five times per week	$696.09	**$737.86**
Six times per week	$820.94	**$870.20**
Extra Pick ups (or refilled and emptied while on site - non-compacted)		
2 cu. Yd. Containers	$39.65	**$42.03**
3 cu. Yd. Containers	$40.82	**$43.27**
4 cu. Yd. Containers	$41.97	**$44.49**
6 cu. Yd. Containers	$44.33	**$46.99**
8 cu. yd. Containers	$45.47	**$48.20**
Commercial Special Services		
Container Inside Four Side Enclosures - Per Pick-Up, Per Container	$7.95	**$8.43**
Caster - (<4 cu. Yd.) Per Pick-up, Per Container	$7.95	**$8.43**
Locks - Per Pick Up, Per Container	$7.95	**$8.43**
Container Swap Charge - Per Container	$79.00	**$83.74**

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City of Glenn Heights Solid Waste Collection and Recycling Services	June 2022 Net Rate to CWD	June 2022 Customer Rate *(includes 6% franchise fee)*
Note: CWD considers this material as proprietary rate information that could affect their competiveness if the waste services contract goes to competitive bid process. Therefore, CWD requests that their market adjustment, extension request letters and all associated discussion information to be exempt from public disclosure. CWD request this information is exempt from Public Records, and is only		
Roll Off Compactors		
15 Cubic Yard Per Haul Without Disposal - weekday ** +	$480.28	**$509.10**
15 Cubic Yard Per Haul Without Disposal - weekend ** +	$516.78	**$547.79**
20 Cubic Yard Per Haul Without Disposal - weekday ** +	$480.28	**$509.10**
20 Cubic Yard Per Haul Without Disposal - weekend ** +	$516.78	**$547.79**
30 Cubic Yard Per Haul Without Disposal - weekday ** +	$461.24	**$488.91**
30 Cubic Yard Per Haul Without Disposal - weekend ** +	$516.78	**$547.79**
35 Cubic Yard Per Haul Without Disposal - weekday ** +	$480.28	**$509.10**
35 Cubic Yard Per Haul Without Disposal - weekend ** +	$516.78	**$547.79**
40 Cubic Yard Per Haul Without Disposal - weekday ** +	$480.28	**$509.10**
40 Cubic Yard Per Haul Without Disposal - weekend ** +	$516.78	**$547.79**
42 Cubic Yard Per Haul Without Disposal - weekday ** +	$480.28	**$509.10**
42 Cubic Yard Per Haul Without Disposal - weekend ** +	$516.78	**$547.79**
* Haul Rates Include 4 Tons of Disposal		
** Plus Disposal Per Ton Over 4 Tons	$43.75	**$46.38**
+ Excess Payload Per Ton if Truck Exceeds 27 tons	$109.37	**$115.93**
Open Top Roll Off Containers (Perm and Temp)		
Delivery - weekday	$120.18	**$127.39**
Delivery - weekend	$152.98	**$162.16**
Trip Charge - weekday	$120.18	**$127.39**
Trip Charge - weekend	$152.98	**$162.16**
Weekly Rental (temporary accounts)	$37.15	**$39.38**
Monthly Rental (permanent accounts)	$159.21	**$168.76**
20 Cubic Yard Per Haul Without Disposal - weekday ** +	$465.91	**$493.86**
20 Cubic Yard Per Haul Without Disposal - weekend ** +	$502.94	**$533.12**
30 Cubic Yard Per Haul Without Disposal - weekday ** +	$478.01	**$506.69**
30 Cubic Yard Per Haul Without Disposal - weekend ** +	$514.34	**$545.20**
40 Cubic Yard Per Haul Without Disposal - weekday ** +	$514.34	**$545.20**
40 Cubic Yard Per Haul Without Disposal - weekend ** +	$550.67	**$583.71**
* Haul Rates Include 4 Tons of Disposal		
** Plus Disposal Per Ton	$43.75	**$46.38**
+ Excess Payload Per Ton if Truck Exceeds 27 tons	$109.37	**$115.93**
Residential Open Top Roll Off Containers		
Delivery, 1 Week Rental & 1 Haul ** +	$480.63	**$509.47**
(includes 2 tons of disposal)		
Additional Hauls - weekday ** +	$350.43	**$371.46**
Additional Hauls - weekend ** +	$374.76	**$397.25**
Additional Weeks of Rental per Week (Sunday thru Saturday)	$38.24	**$40.53**
* Haul Rates Include 2 Tons of Disposal		
** Disposal Over 2 tons up to 4 Tons - per ton	$83.90	**$88.93**
+ Excess Payload Charge for Loads Over 4 tons - per ton	$117.47	**$124.52**
City Services		
Solid Waste and Recycling Service at:		
3x8x1 for city solid waste services	*N/C*	***N/C***
as needed CWD 95-gallon recycle carts for city recycling services	*N/C*	***N/C***
Clean up 12 roll offs (deliver and hauls) once a year	*N/C*	***N/C***
Clean up 3 rear loads (4 hours per) once a year	*N/C*	***N/C***
* *Customer Rate Does Not Include Sales Tax*		

DRAFT

CWD
CommunityWasteDisposal.com
Since 1984

March 8, 2022

City of Glenn Heights
Attn: Clifford Blackwell
1938 S. Hampton Rd.
Glenn Heights, TX 75154

RE: Solid Waste and Recycling Services Request for Proposals

To Whom it May Concern,

Enclosed is Community Waste Disposal's response to The City of Glenn Heights request for a proposal to provide Solid Waste and Recycling collection services.

Community Waste Disposal (CWD) agrees to be bound by the proposal submitted and to provide the services specified. We further agree that the proposal is a firm and irrevocable offer for one hundred twenty (120) days. All content, pricing and exceptions listed in this proposal are based on information provided to CWD and no other documents or agreements were reviewed or considered for exceptions.

CWD considers this material as proprietary rate information that could affect their competitiveness if the waste services contract goes to competitive bid process. Therefore, CWD requests that their extension request letters and all associated discussion information to be exempt from public disclosure. CWD request's this information is exempt from Public Records, and is only allowed to be part of Public Records, after a ruling of Attorney General of Texas

Should you have any questions or would like to schedule a meeting to go over in more detail, please call me at 972.392.9300 ext. 3220, or on my mobile at 214.418.5017.

Sincerely,

Jason Roemer
Vice President
jroemer@cwd.to

2010 California Crossing Road
Dallas, Texas 75220-2310
Telephone
972.392.9300 or 817.795.9300
Facsimile
972.392.9301

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City of Glenn Heights – Executive Summary

Solid Waste, Bulk & Bundled Brush Service for Residential Units

Base Proposal – once per week collection of solid waste, unlimited tied & bundled brush and up to two (2) cubic yards of bulky waste. Collection will utilize CNG Semi-Automated Rear Load GVW Compliant Vehicles.

Alternate Proposal- once per week collection of solid waste with monthly collection of unlimited tied & bundled brush and up to four (4) cubic yards of bulky waste. Collection will utilize CNG Fully-Automated Side Load GVW Compliant Vehicles.

Trash	Bulk and Bundled Brush	Per Home Per Month
Rear Load - Trash – 1xWeek CWD provided 95G cart	1xWeek 2 cubic yards per collection Unlimited tied & bundled brush	**$9.50**
Automated - Trash – 1xWeek CWD provided 95G cart	1xMonth 4 cubic yards per collection Unlimited tied & bundled brush	**$8.97**

(above) Automated Side Load truck used for Alternate Bid

(below) Semi Automated Rear Load truck used for Base Bid

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City of Glenn Heights – Executive Summary

Recycling Service for Residential Units

Recycle service will utilize one (1) CNG Fully-Automated Side-Load GVW Compliant Vehicle, picking up a brand new, CWD provided blue 95-gallon cart.

Program recyclables include: (i) newsprint (with slicks and ads); (ii) magazines, envelopes, bagged shredded paper and catalogs; (iii) bottles, plastic numbers 1-7, (iv) glass (all colors); (v)aluminum cans; (vi) steel and tin cans; (vii) flattened cardboard; (viii) OCC brown cardboard and cereal boxes; (ix) telephone books; and (x) paper bags

Description	Per Home Per Month
1xWeek collection CWD provided 95-gallon cart	**$5.57**
Every other week collection CWD provided 95-gallon cart	**$3.95**

All CWD collection vehicles are equipped with:

- ***SmartDrive safety cameras***
- ***GPS breadcrumb tracking***
- ***Spill kits***
- ***Two-way radios***

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City of Glenn Heights – Executive Summary

Franchised Commercial Collection Scenario

Currently, the City of Glenn Heights does not have a franchise agreement in place for the commercial collection. CWD conducted a brief site audit of commercial locations within the city limits and discovered 35 front load containers. Next, we used a conservative estimate as to the frequency collection for each of those locations.

In an effort to quantify the impact of including commercial collection in the Glenn Heights franchise agreement, CWD applied pricing to those 35 containers to determine how that additional revenue would decrease the residential rate per month.

The table provided below is an estimated impact on the Glenn Heights residential rate, should the commercial be included in the franchise agreement

Description	Rate Per Home Per Month
Estimate based off 35 commercial front load containers	**- $0.53 reduction**

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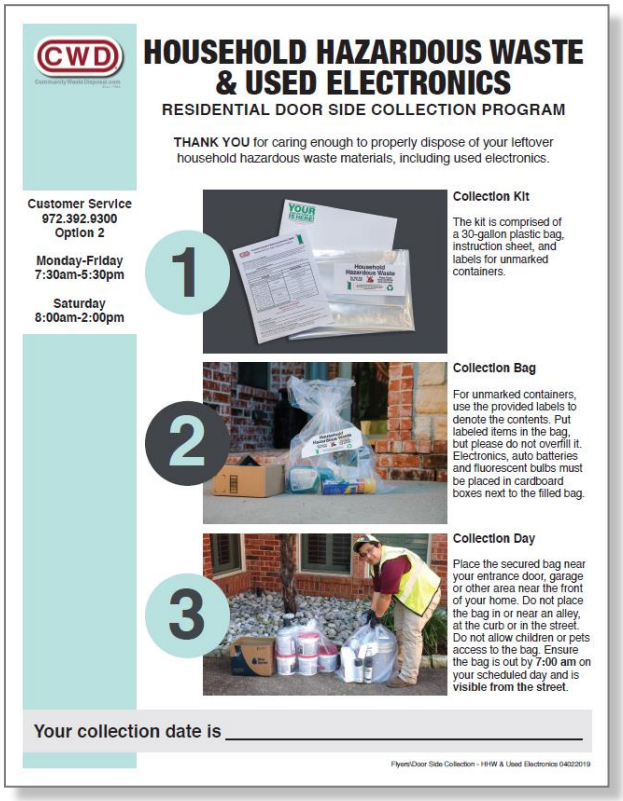
City of Glenn Heights – Executive Summary

OPTIONAL - Residential Door Side Household Hazardous Waste and Used Electronics Collection is an additional service CWD provides to residents so that home-generated waste, including household hazardous waste, can be safely and easily disposed of or recycled. Door side collection is an effective avenue to encourage participation by those who cannot or will not drive to events or drop off locations. Upon request, CWD will provide all residents door side HHW & Used Electronics collection services and will provide a collection kit, instructions and a collection date to the resident.



CWD

HOUSEHOLD HAZARDOUS WASTE & USED ELECTRONICS

RESIDENTIAL DOOR SIDE COLLECTION PROGRAM

THANK YOU for caring enough to properly dispose of your leftover household hazardous waste materials, including used electronics.

Customer Service
972.392.9300
Option 2

Monday-Friday
7:30am-5:30pm

Saturday
8:00am-2:00pm

1 **Collection Kit**

The kit is comprised of a 30-gallon plastic bag, instruction sheet, and labels for unmarked containers.

2 **Collection Bag**

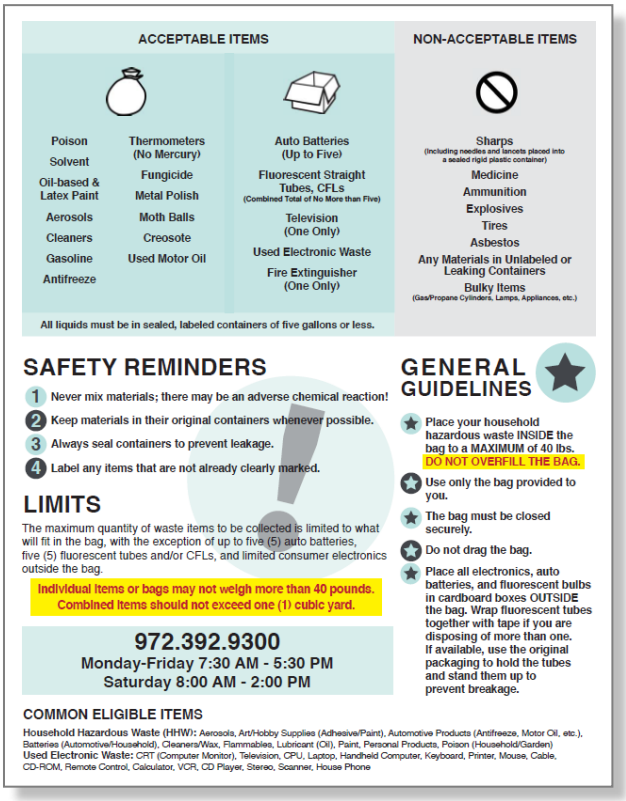
For unmarked containers, use the provided labels to denote the contents. Put labeled items in the bag, but please do not overfill it. Electronics, auto batteries and fluorescent bulbs must be placed in cardboard boxes next to the filled bag.

3 **Collection Day**

Place the secured bag near your entrance door, garage or other area near the front of your home. Do not place the bag in or near an alley, at the curb or in the street. Do not allow children or pets access to the bag. Ensure the bag is out by **7:00 am** on your scheduled day and is **visible from the street.**

Your collection date is _____

Flyer\Door Side Collection - HHW & Used Electronics 04022019



ACCEPTABLE ITEMS

Poison
Solvent
Oil-based & Latex Paint
Aerosols
Cleaners
Gasoline
Antifreeze

Thermometers (No Mercury)
Fungicide
Metal Polish
Moth Balls
Creosote
Used Motor Oil

Auto Batteries (Up to Five)
Fluorescent Straight Tubes, CFLs (Combined Total of No More than Five)
Television (One Only)
Used Electronic Waste
Fire Extinguisher (One Only)

NON-ACCEPTABLE ITEMS

Sharps (Including needles and lancets placed into a sealed rigid plastic container)
Medicine
Ammunition
Explosives
Tires
Asbestos
Any Materials in Unlabeled or Leaking Containers
Bulky Items (Gas/Propane Cylinders, Lamps, Appliances, etc.)

All liquids must be in sealed, labeled containers of five gallons or less.

SAFETY REMINDERS

1. Never mix materials; there may be an adverse chemical reaction!
2. Keep materials in their original containers whenever possible.
3. Always seal containers to prevent leakage.
4. Label any items that are not already clearly marked.

LIMITS

The maximum quantity of waste items to be collected is limited to what will fit in the bag, with the exception of up to five (5) auto batteries, five (5) fluorescent tubes and/or CFLs, and limited consumer electronics outside the bag.

Individual items or bags may not weigh more than 40 pounds.
Combined items should not exceed one (1) cubic yard.

972.392.9300
Monday-Friday 7:30 AM - 5:30 PM
Saturday 8:00 AM - 2:00 PM

GENERAL GUIDELINES

- Place your household hazardous waste INSIDE the bag to a MAXIMUM of 40 lbs. DO NOT OVERFILL THE BAG.
- Use only the bag provided to you.
- The bag must be closed securely.
- Do not drag the bag.
- Place all electronics, auto batteries, and fluorescent bulbs in cardboard boxes OUTSIDE the bag. Wrap fluorescent tubes together with tape if you are disposing of more than one. If available, use the original packaging to hold the tubes and stand them up to prevent breakage.

COMMON ELIGIBLE ITEMS

Household Hazardous Waste (HHW): Aerosols, Art/Hobby Supplies (Adhesive/Paint), Automotive Products (Antifreeze, Motor Oil, etc.), Batteries (Automotive/Household), Cleaners/Wax, Flammables, Lubricant (Oil), Paint, Personal Products, Poison (Household/Garden)
Used Electronic Waste: CRT (Computer Monitor), Television, CPU, Laptop, Handheld Computer, Keyboard, Printer, Mouse, Cable, CD-ROM, Remote Control, Calculator, VCR, CD Player, Stereo, Scanner, House Phone

Service Type	Per Home Per Month
On-Call Door Side HHW and Used Electronics ***(1xMonth)***	**$0.82**

For more information, go to tab 11

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Free City Services

CWD has a wide range of commercial services, with containers varying in size from two to forty cubic yards.

RFP	Location Name	Service	Cost Per Home Per Month *(included in proposal pricing)*
Solid Waste Collection at City Facilities	Various	City Hall – 1-8yd – 1xWeek Public Works– 1-8yd – 1xWeek Police Station – 1-8yd – 1xWeek	**$0.07**
Recycle Collection at City Facilities	Various	95-gallon recycle carts as needed 1xWeek	**-**
Spring Cleanup Event	1xYear	12 – 30yd roll off hauls 3 rear load trucks	**$0.07**

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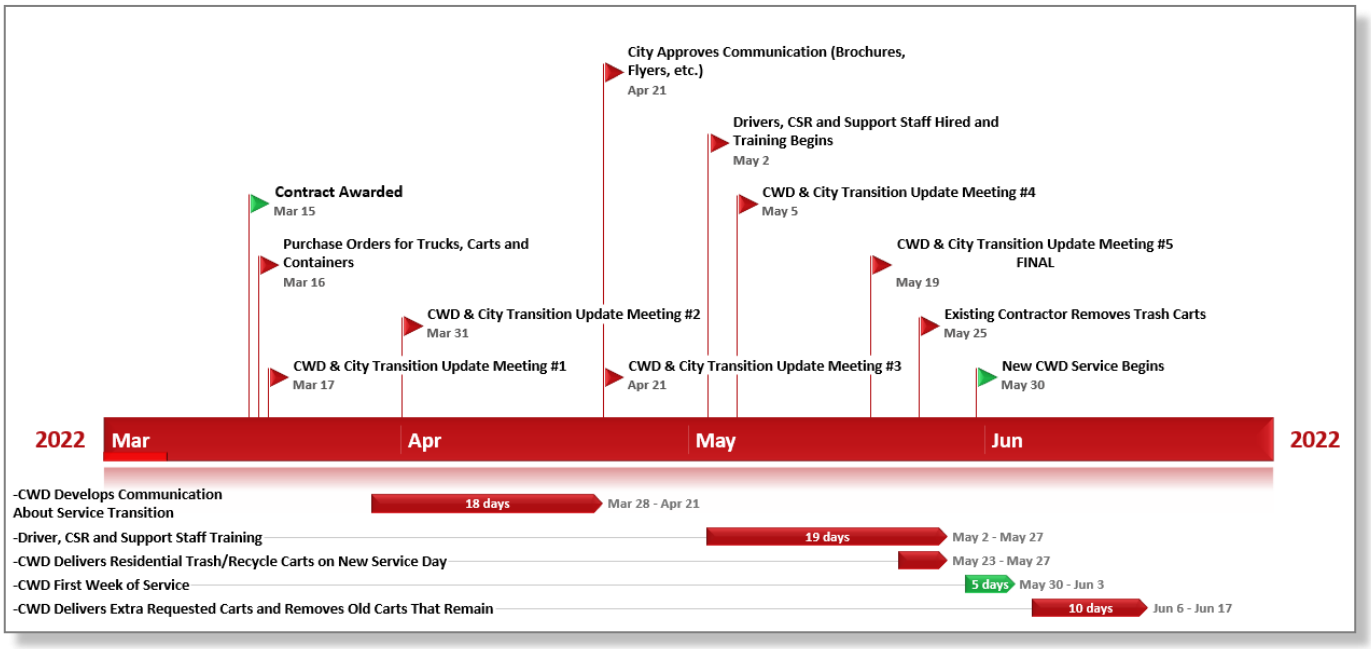
City of Glenn Heights – Executive Summary

Transition Plan

A successful transition begins with good communication. Each municipality has different needs, therefor no two plans are exactly alike. CWD management understands this and will customize a plan just for your.

Below is a tentative transition plan for the City of Glenn Heights.



In recent years, CWD staff has successfully implemented services in several municipalities. Most recently:

City/Town	Start Date	Previous Vendor
Melissa	October 2020	Waste Connections
Princeton	June 2019	Waste Connections
Sachse	April 2019	Republic Services
Prosper	February 2019	Waste Connections
Red Oak	January 2019	Waste Connections

We encourage you to contact these cities to learn more about their transition.

Should the City request it, CWD can provide contact information for existing customers.

City of Glenn Heights – Executive Summary

Transition Plan (continued)

CWD completes all residential cart and commercial dumpster deliveries **in-house**. None of the transition process is outsourced to other companies, which gives the City assurance that the work will be completed responsibly and with accountability.

CWD has successfully transitioned sixteen (16) municipalities over the last five (5) years.

Staging Area:
CWD will work with the City to identify a location that residential carts will be staged while the transition occurs. During the commercial transition, this location will be used to deliver and build the new carts.

Residential Transition:
CWD will coordinate with the City's current contractor to have each resident's trash and recycle cart replaced at least one week before their last service day (or when mutually agreed upon). CWD handles the entire transition process in-house. At least one week before service starts, CWD will deliver one recycle cart and trash cart (depending on option) to each resident on their new service day. Attached to the cart would be the approved residential brochure and any specific transition information (when service starts, new service day, who to call for carts, etc.). After the initial delivery, CWD will have a vehicle in the City each day for at least two (2) weeks to deliver any extra carts and remove any

(above) Residential transition in Princeton, TX in 2019 with CWD brochures fixed to carts in a weather proof bag

(right) A door hanger or post card can also be provided to any homes that see a change in service day

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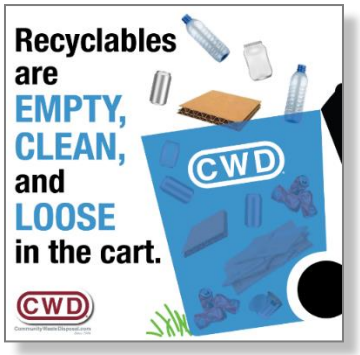
City of Glenn Heights – Executive Summary

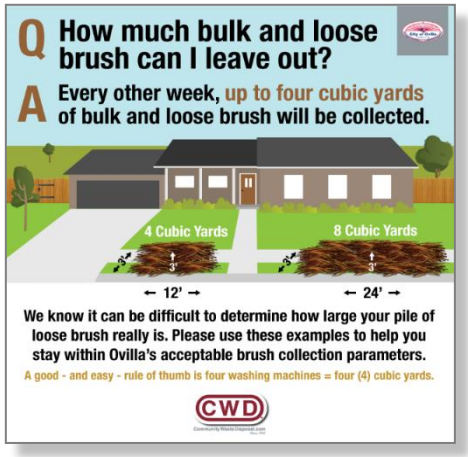
Startup Campaigns & Communication

When choosing a new waste disposal company, reviewing the startup plan is a must. In recent years, CWD has successfully implemented its award-winning services in several communities. Each resident will receive a full color service brochure that explains services provided, collection days, and how to reach us with questions.

Examples of CWD brochures for startup campaigns

CWD's **in-house graphic designer** can also create service specific graphics to be used on social media and utility bills to educate residents on collection guidelines and best practices.





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City of Glenn Heights – Executive Summary

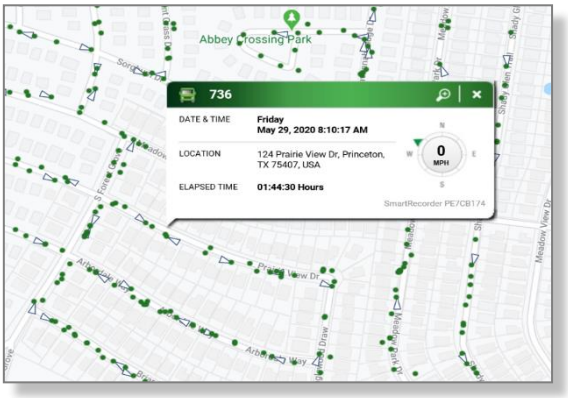
CWD Vehicle and Customer Technology

SmartDrive Video Safety System

The SmartDrive video-based safety program and transportation intelligence platform transform fleet performance. Community Waste Disposal has approximately 140 units operational units in our residential and commercial fleet vehicles. The SmartDrive system utilizes a combination of video footage, driver intelligence, and personalized performance profiles to provide a comprehensive view of risky driver behavior.

SmartDrive also has a GPS tracking feature, which allows CWD to view a breadcrumb trail of a residential or commercial vehicle in the City. This information can be used to educate customers on collection times and locations.

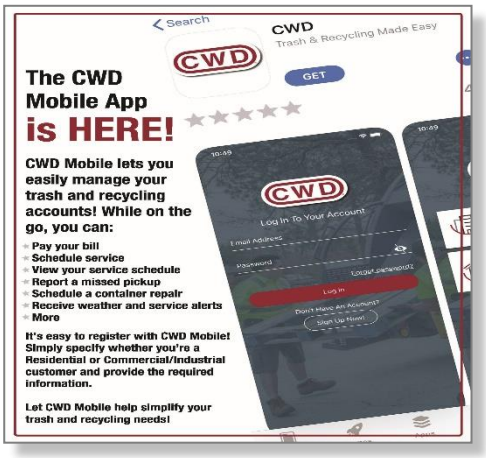
Example of SmartDrive recorded event

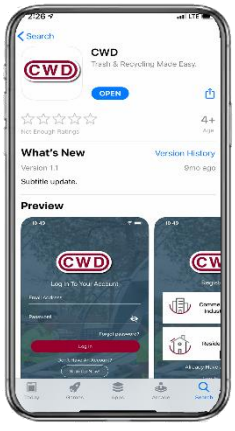


Example of SmartDrive GPS breadcrumb trail of a Princeton residential driver.

CWD Mobile App

The CWD mobile app is available from both the Apple Store and from Google Play. Introduced in 2019, this application gives customers the ability to submit service requests at the palm of their hand





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City of Glenn Heights – Executive Summary

Storm Debris Management Program:

At the City's request, CWD will dispatch crews to provide swift Storm Debris Management (SDM). Depending on the damage or size of the storm, CWD will deploy one or both of the following SDM Teams:

Team 1: Rear Load and Boom Trucks:

This team will consist of 2 trucks and 3 CWD employees. Rear load crews are excellent for bulky waste items or narrow residential streets, whereas Boom Trucks excel at quickly collecting fallen trees and brush piles with a lift arm. Under CWD's supervision, up to 44 trucks and crews can be dispatched on Saturdays and Sundays. The charge is $195.00 per truck hour plus disposal.

On short notice, CWD will deploy SDM crews

Team 2: Open Tops and Bobcats:

Again, CWD employees will provide and operate bobcats to load CWD open tops. This system is excellent for demolition of large structures. In a most recent tornado event, CWD members of Team 2 cleared over 1,520 yards of debris in just 133 hours. The charge is $85.00 per bobcat hour plus standard roll off open top haul rate.

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City of Glenn Heights – Executive Summary

Residential Construction Debris

The CWD Residential Roll Off is ideal for residential clean up. The vehicle is smaller and lighter than large industrial roll off trucks, making it more suited for residential driveways and surrounding property.

The 12 cubic yard container is low to the ground and easy to load. For just **$395.00** the resident will receive:

- Container Delivery
- One Weeks Rental
- One Haul

CWD will invoice the user.

Single Axle light weight vehicle is sized for residential properties

12 yard container is easy to load

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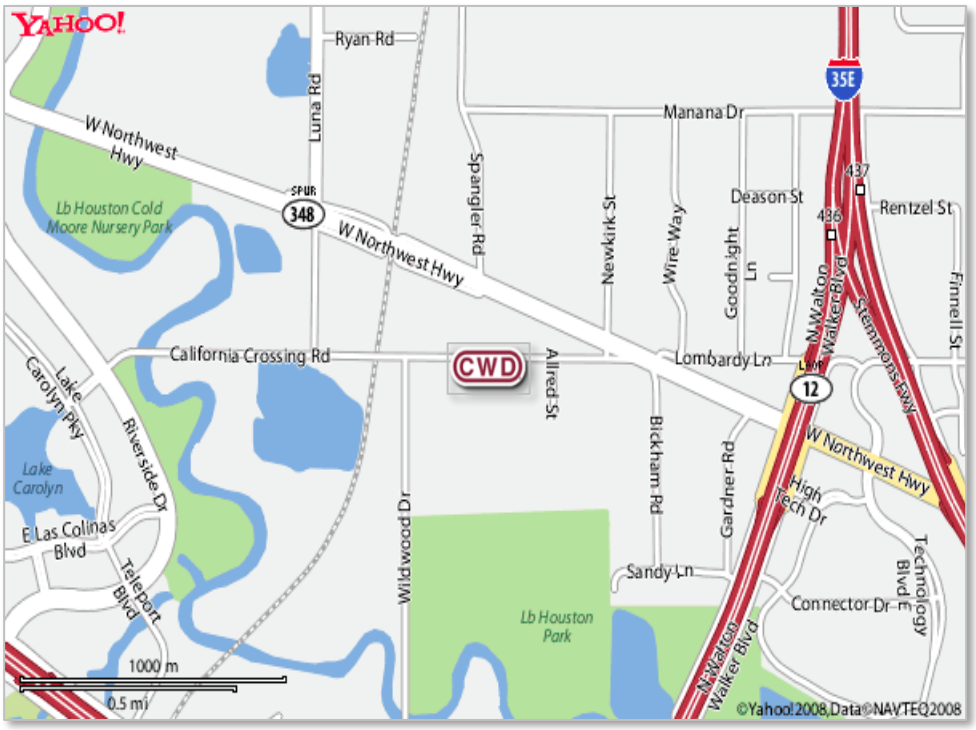
City of Glenn Heights – Executive Summary

Transfer Station

Landfills are often located far away and in undesirable areas. Additionally, the roads in and out are seldom paved and are often laden with scattered debris; not the place for a homeowner in the family station wagon! By contrast, CWD owns and operates a registered transfer station at 2010 California Crossing, Dallas, Texas 75220. The area is solid concrete, well lighted, security accessed, and completely camera-monitored, 24/7. City residents will have access to this facility for their residential disposal needs.



For more information, go to Tab 8

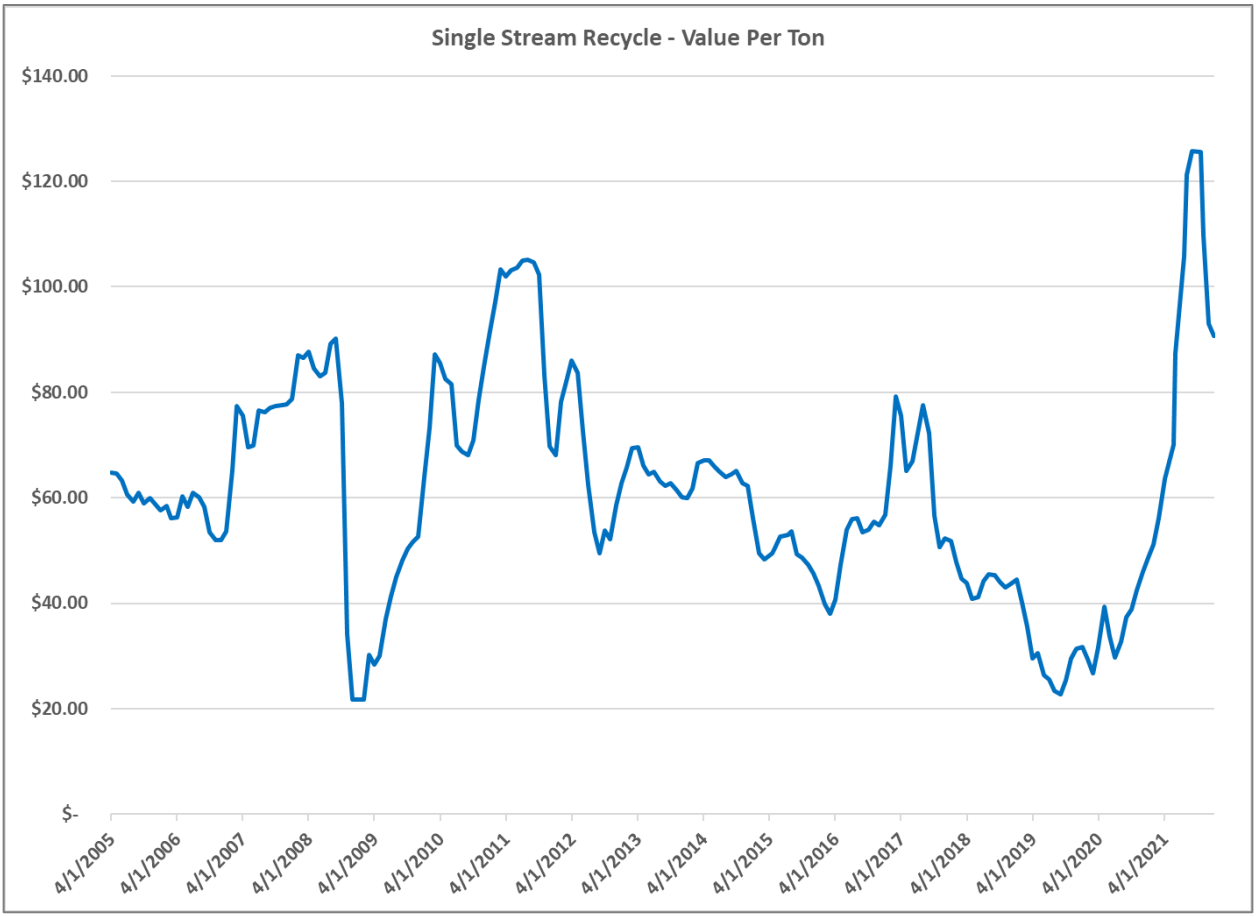
Community Waste Disposal.com

Since 1984

City of Glenn Heights – Executive Summary

Recycle Revenue Sharing

CWD has revenue sharing programs with multiple cities in the Metroplex. We believe this to be an important part of the recycling partnership in that it rewards all parties for increasing and keeping volumes clean and free of foreign debris. The CWD revenue sharing program factors market value of material, a known component Percentage of the materials, and the per ton processing fee. The commodities pricing is determined by highly respected national journals that regularly determine the value of each material we will be collecting from the residents. This price is applied to the attached spreadsheet to determine the overall value of the tonnage collected from your Community. The average market price over the last two (2) years has been approximately **$61.58** per ton. Under this revenue sharing program you will never be required to pay CWD regardless of how low the material values may go. When the markets value fall below **$82.57** per ton a negative value will occur. Negative values will carry forward and must be brought back to zero before compensation begins or resumes.



Community Waste Disposal.com

Since 1984

City of Glenn Heights – Executive Summary

Recycling Revenue Sharing Reports

Each month CWD will provide you a detailed report of the current value, tons and City rebate. Remittance will be made on a calendar quarterly basis.

Community Waste Disposal
Recycle Revenue Sharing Calculations

CITY OF GLENN HEIGHTS

	Total Tons Received by CWD Annually (estimated)					1,100	
	Per Ton Processing Fee & Transportation Fee (**Note 1**)					$ 82.57	Adj Annually
	Total Processing Fee				**Note 4**	$ 90,827.00	
			Adj Annually	**Note 3**	Adjusted Monthly		
	https://www.msn.cc	**Commodity**	**Component %**	**Pricing Structure**	**Pubished Value Dollars Per Ton**	**Total $**	**Tons**
		ONP	14.00%	PPI - #8 Southwest Hi	$ 105.00	$ 16,170.00	154.00
		OCC	19.71%	PPI #11 Southwest Hi	$ 165.00	$ 35,773.65	216.81
		Mixed Paper	9.87%	PPI Mixed Paper #2 Hi	$ 85.00	$ 9,228.45	108.57
		Aluminum	0.77%	SMP - Region 8 Houston High	$ 1,320.00	$ 11,180.40	8.47
		Steel/Tin	1.52%	SMP - Region 8 Houston High	$ 5.00	$ 83.60	16.72
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		HDPE - Natural	1.15%	SMP - Region 8 Houston High	$ 1,200.00	$ 15,180.00	12.65
		HDPE - Colored	0.90%	SMP - Region 8 Houston High	$ 500.00	$ 4,950.00	9.90
		Mixed Plastic	0.19%	SMP - Region 8 Houston High	$ 40.00	$ 83.60	2.09
		Mixed Glass	14.67%	SMP - Region 8 Houston **(Note 5)**	$ (32.00)	$ (5,163.84)	161.37
		Residue	33.79%		$ (27.50)	$ (10,221.48)	371.69
			100.00%		$ 85.68	$ 94,242.88	1,100.00
	Total Gross Recycle Revenue					$ 94,242.88	
	Less Total Processing Fees					$ (90,827.00)	
	Net Revenue					$ 3,415.88	
60%	City Share of Net Positive Revenue					$ 2,049.53	
	Revenue Share Per Ton					-	
						Note 2	

NOTE 1 Processing & Transportation Fees will be adjusted annually based on CPIU, Disposal, and Fuel increases

NOTE 2 Per ton rebate cannot exceed $40 per ton. City will never be required to pay contractor for negative revenue values. Any negative values will carry forward and must be brought back to zero before compensation to the city begins or resumes.

NOTE 3 SMP = Secondary Materials Pricing, PPI = Pulp & Paper Week

NOTE 4 Published Value Dollars Per Ton as of 1-31-2022

NOTE 5 Published Value Dollars Per Ton includes Index price plus $17.00 per ton transportation.

NOTE 6 Any past deficits must be cleared before Revenue Sharing payments begin

Recyclable Material List:

1. **Loss of Sustainable Market –** If a sustainable market is no longer available for a recycle commodity, CWD will inform the City/Town to have it removed from the accepted materials list. Example: There is one glass buyer based in Midlothian Texas, if they will no longer accept our glass, CWD would have no sustainable market for the commodity.

2. **Negative Market Value** – If the value of any of the recycle commodities falls below zero dollars, CWD may petition the City/Town to have the item removed from the accepted materials list. The request to remove the item will not be unreasonably withheld by the City/Town.

Community Waste Disposal.com

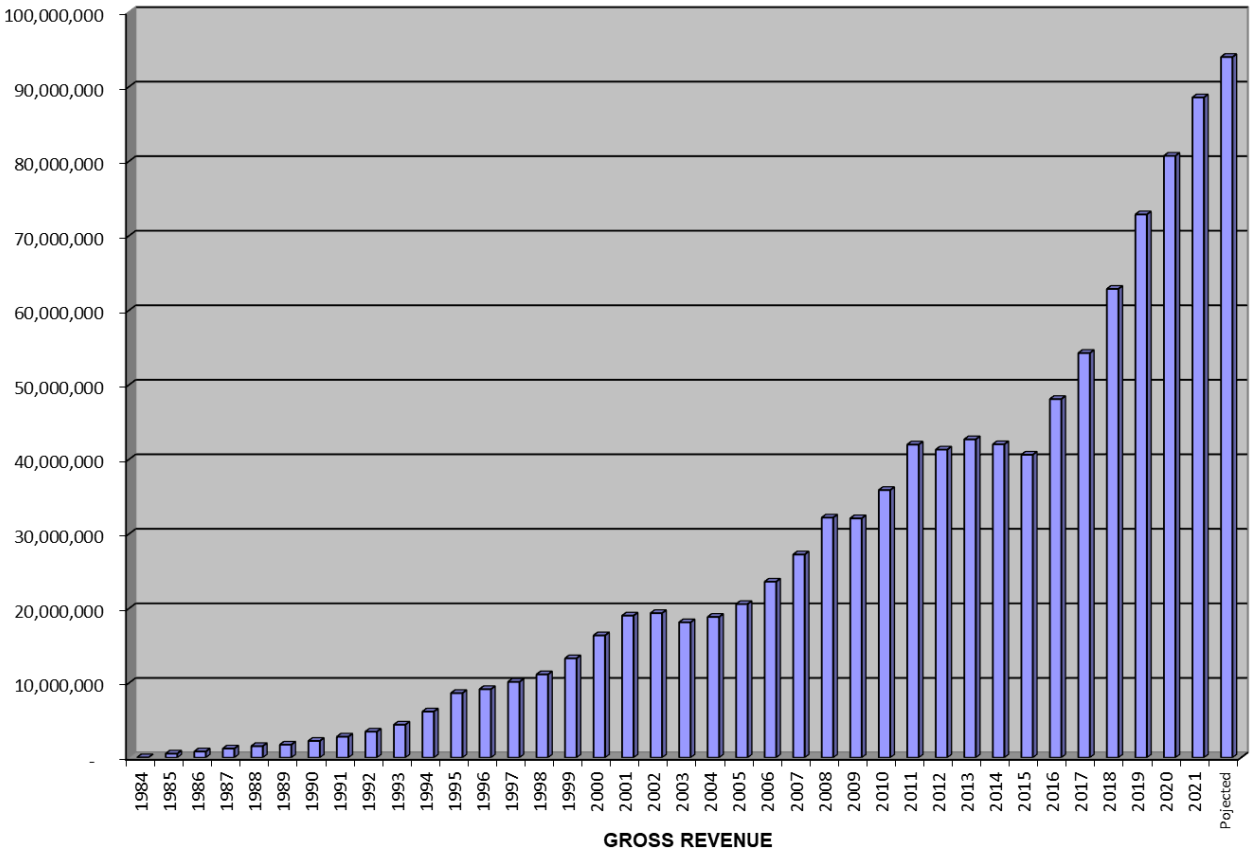
Since 1984

City of Glenn Heights – Executive Summary

Landfill Availability:

Some of the D/FW area landfill owners would like the public to believe that there is a shortage of disposal space. The suggested conclusion implies that if you don't do business with a landfill owner, you may someday be without a site on which to dispose of your trash. In the foreseeable future, nothing could be farther from the truth. In fact, the ability to divert large volumes of monthly tonnage at any one of D/FW's 16 disposal sites allows for competitive bidding, resulting in lower disposal rates. Within 50 miles of CWD's refuse transfer station is disposal capacity totaling "784 remaining" years, assuring you, the customer, cost effective disposal options.

In 37 years of operation, CWD has experienced only four non-renewals of municipal contracts.



For more information, go to Tab 8

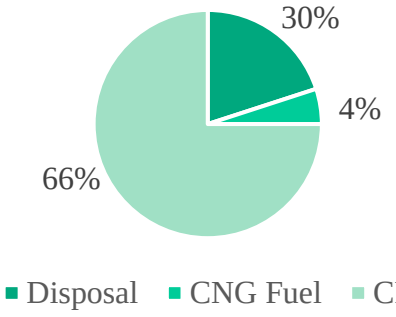
Community Waste Disposal.com

Since 1984

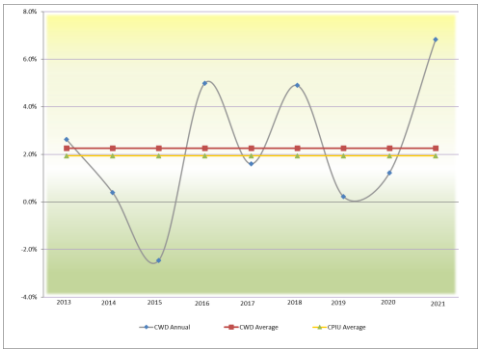
City of Glenn Heights – Executive Summary

Contract Price Adjustments:

Not all services are affected by the same cost increases, or include the same portions of cost. For example, recycling collections has a very small disposal cost (11%) due to contamination, while roll off containers may have as much as 40% disposal cost per load. We have taken our many cost components and summarized them in three categories, and secured reputable third party sources that measure the changes in each. These sources assure the City of Glenn Heights and CWD that requested rate changes have a credible foundation. Because of the complexities of different components for different type services, CWD recommends that the attached two page document titled "Annual CPI/Fuel/Disposal Cost Adjustment" be negotiated and used to represent future contract adjustments with City of Glenn Heights.

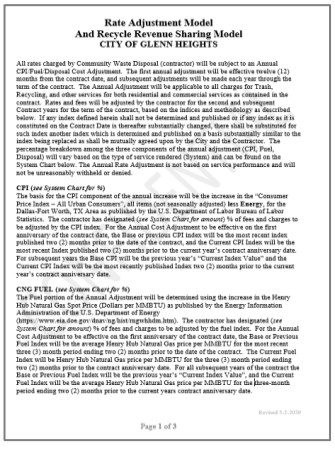


Typical cost breakdown for residential trash service



7 Year historical actual results
7 year average 2.3%

CPI, disposal and fuel portions of the charge reflected in this proposal are guaranteed not to change during the first 12 months of the contract; however, we do anticipate adjustments at the beginning of the third year of the contract, and each 12 months thereafter. We would look for accommodating contract language, such as, "Annual Rate Adjustment request will not be unreasonably withheld or denied."



Rate Adjustment Model
And Recycle Revenue Sharing Model
CITY OF GLENN HEIGHTS

All rates charged by Community Waste Disposal (contractor) will be subject to an Annual CPI/Fuel/Disposal Cost Adjustment. The first annual adjustment will be effective twelve (12) months from the contract date, and subsequent adjustments will be made each year through the term of the contract. The Annual Adjustment will be applicable to all charges for Trash, Recycling, and other services for both residential and commercial services as contained in the contract. Rates and fees will be adjusted by the contractor for the second and subsequent Contract years for the term of the contract, based on the indices and methodology as described below. If any index defined herein shall not be determined and published or if any index as it is constituted on the Contract Date is thereafter substantially changed, there shall be substituted for such index another index which is determined and published on a basis substantially similar to the index being replaced as shall be mutually agreed upon by the City and the Contractor. The percentages breakdown among the three components of the annual adjustment (CPI, Fuel, Disposal) will vary based on the type of service rendered (System) and can be found on the System Chart below. The Annual Rate Adjustment is not based on service performance and will not be unreasonably withheld or denied.

CPI (*see System Chart for %*)
The basis for the CPI component of the annual increase will be the increase in the "Consumer Price Index – All Urban Consumers", all items (not seasonally adjusted) less Energy, for the Dallas-Fort Worth, TX Area as published by the U.S. Department of Labor Bureau of Labor Statistics. The contractor has designated (*see System Chart for amount*) % of fees and charges to be adjusted by the CPI index. For the Annual Cost Adjustment to be effective on the first anniversary of the contract date, the Base or previous CPI index will be the most recent index published two (2) months prior to the date of the contract, and the Current CPI Index will be the most recent Index published two (2) months prior to the current year's contract anniversary date. For subsequent years the Base CPI will be the previous year's "Current Index Value" and the Current CPI Index will be the most recently published Index two (2) months prior to the current year's contract anniversary date.

CNG FUEL (*see System Chart for %*)
The Fuel portion of the Annual Adjustment will be determined using the increase in the Henry Hub Natural Gas Spot Price (Dollars per MMBTU) as published by the Energy Information Administration of the U.S. Department of Energy (https://www.eia.doe.gov/dnav/ng/hist/rngwhhdm.htm). The contractor has designated (*see System Chart for amount*) % of fees and charges to be adjusted by the fuel index. For the Annual Cost Adjustment to be effective on the first anniversary of the contract date, the Base or Previous Fuel Index will be the average Henry Hub Natural Gas price per MMBTU for the most recent three (3) month period ending two (2) months prior to the date of the contract. The Current Fuel Index will be Henry Hub Natural Gas price per MMBTU for the three (3) month period ending two (2) months prior to the contract anniversary date. For all subsequent years of the contract the Base or Previous Fuel Index will be the previous year's "Current Index Value", and the Current Fuel Index will be the average Henry Hub Natural Gas price per MMBTU for the three-month period ending two (2) months prior to the current years contract anniversary date.

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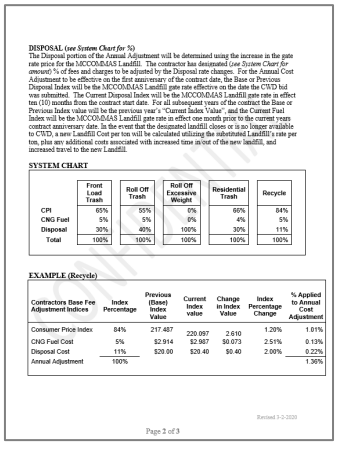

DISPOSAL (*see System Chart for %*)
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SYSTEM CHART

	Front Load Trash	Roll Off Trash	Roll Off Excessive Weight	Residential Trash	Recycle
CPI	65%	55%	0%	66%	84%
CNG Fuel	5%	5%	0%	4%	5%
Disposal	30%	40%	100%	30%	11%
Total	100%	100%	100%	100%	100%

EXAMPLE (Recycle)

Contractors Base Fee Adjustment Indices	Index Percentage	Previous (Base) Index Value	Current Index value	Change in Index Value	Index Percentage Change	% Applied to Annual Cost Adjustment
Consumer Price Index	84%	217.487	220.097	2.610	1.20%	1.01%
CNG Fuel Cost	5%	$2.914	$2.987	$0.073	2.51%	0.13%
Disposal Cost	11%	$20.00	$20.40	$0.40	2.00%	0.22%
Annual Adjustment	100%					1.36%

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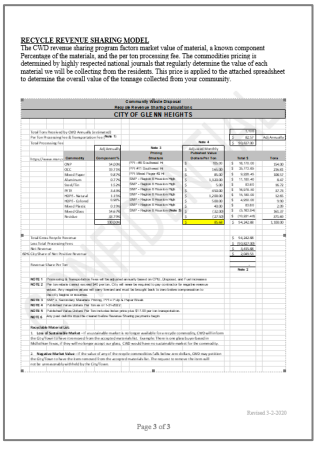

RECYCLE REVENUE SHARING MODEL
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Page 3 of 3

City of Glenn Heights – Executive Summary

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CITY OF GLENN HEIGHTS

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Revised 3-2-2020

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City of Glenn Heights – Executive Summary

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Community Waste Disposal
Recycle Revenue Sharing Calculations
CITY OF GLENN HEIGHTS

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Revised 3-2-2020

Page 3 of 3

AGENDA SUMMARY SHEET
March 22, 2022

AGENDA, ITEM 3

Discuss and take action on Resolution R-08-22, a Resolution of the City Council of the City of Glenn Heights, Texas, approving a Wholesale Treated Water Contract between the City of Dallas and the City of Glenn Heights for the purchase of wholesale treated water; authorizing the City Manager to execute said agreement; providing for the repeal of any and all Resolutions in conflict; providing a severability clause; and providing for an effective date. (David Hall, City Manager)

Motion	
Second	
For	Garrett, S Brown, Ipaye, Bruton, A Brown, Allen, Newson
Against	Garrett, S Brown, Ipaye, Bruton, A Brown, Allen, Newson
Abstain	
Approve/ Deny/ Table	

CITY OF GLENN HEIGHTS
CITY COUNCIL REPORT

Date: March 22, 2022

SUBJECT

This agenda item will allow City Council to authorize the City Manager to execute a Wholesale Treated Water Agreement with the City of Dallas (DWU) for the purchase of treated water supplying the City's water distribution system.

DISCUSSION / BACKGROUND

The City of Glenn Heights does not have direct access to a controlled source of fresh water, like most communities in the DFW metropolitan area, nor the developed infrastructure necessary to treat water. Accordingly, the City has historically contracted with the City of Dallas for the provision of its wholesale water. In turn, the City's Water Utility supplies water to its retail customers across the Texas Public Utilities Commission (PUC) approved Certificate of Convenience and Necessity (CCN) geographic area.

The first recorded Agreement in the City's records between the City of Glenn Heights and the City of Dallas for the purchase of Wholesale Treated Water was approved by the Glenn Heights City Council on September 3, 1985.

Another Agreement between the parties was approved by the Glenn Heights City Council on February 12, 1992. That Agreement replaced the earlier one and was for a term of 30 years.

Staff has been negotiating with DWU for several months on the development of a new Agreement. The current proposed Agreement was approved by the City of Dallas City Council on February 9, 2022. This Agreement is for a term of 30 years. It has provisions for the construction of infrastructure, ROW acquisition, rate structure and other provisions typical to such Agreements amongst DWU client cities.

PRIOR COUNCIL OR BOARD ACTION

Not applicable.

PUBLIC CONTACT

Not applicable.

FINANCIAL IMPACT

The DWU traditionally increases its rates annually, however, that rate is dependent upon a number of factors, such as operational expenses and customer use that vary. DWU sends notice of rate hearings and increases as they arise.

RECOMMENDATION / ALTERNATIVES

Staff recommends City Council approve the Wholesale Treated Water Agreement between the City of Dallas and the City of Glenn Heights.

There are no viable options currently available. Staff contacted local Special Utility District (SUD) wholesale water treatment providers, however the exorbitant cost of infrastructure investment necessary to potentially connect to the suppliers makes it an untenable choice.

ATTACHMENTS

1. Resolution R-08-22

PREPARED BY

David Hall, JD, City Manager

REVIEWED BY

Clifford Blackwell, Deputy City Manager

RESOLUTION R-08-22

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GLENN HEIGHTS, TEXAS, APPROVING A WHOLESALE TREATED WATER CONTRACT BETWEEN THE CITY OF DALLAS AND THE CITY OF GLENN HEIGHTS FOR THE PURCHASE OF WHOLESALE TREATED WATER; AUTHORIZING THE CITY MANAGER TO EXECUTE SAID AGREEMENT; PROVIDING FOR THE REPEAL OF ANY AND ALL RESOLUTIONS IN CONFLICT; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City of Glenn Heights purchases wholesale treated water from the City of Dallas; and

WHEREAS, the City of Glenn Heights' current contract for such services with the City of Dallas expired on February 11, 2022; and

WHEREAS, City staff has recommended that the City enter into a new wholesale treated water contract with the City of Dallas on the terms and in substantially the form of that set forth and attached hereto as Exhibit "A"; and

WHEREAS, approval of the new wholesale treated water contract would be in the best interest of the City of Glenn Heights and its citizens;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GLENN HEIGHTS, TEXAS:

SECTION 1. The Wholesale Treated Water Contract, attached hereto and incorporated herein by this reference as Exhibit "A", is hereby approved and the City Manager is authorized to execute all necessary documents, including this agreement or an agreement in substantially the same form as the attached Exhibit A, as may be necessary to effect the provision of wholesale treated water services contemplated therein.

SECTION 2. All resolutions of the City of Glenn Heights heretofore adopted which are in conflict with the provisions of this resolution be, and the same are hereby repealed, and all resolutions of the City of Glenn Heights not in conflict with the provisions hereof shall remain in full force and effect.

SECTION 3. If any article, paragraph, subdivision, clause or provision of this resolution, as hereby amended, be adjudged invalid or held unconstitutional for any reason, such judgment or holding shall not affect the validity of this resolution as a whole or any part or provision thereof, as amended hereby, other than the part so declared to be invalid or unconstitutional.

SECTION 4. This resolution shall take effect immediately from and after its passage, and it is accordingly so resolved.

DULY PASSED by the City Council of the City of Glenn Heights, Texas, this the 22nd day of March 2022.

APPROVED:

_____
Harry A. Garrett, Mayor

ATTEST:

_____
Brandi Brown, City Secretary

APPROVED AS TO FORM:

_____
Victoria W. Thomas, City Attorney
(030922VWTtm128295)

EXHIBIT “A”
[Wholesale Treated Water Contract with City of Dallas]

STATE OF TEXAS §
§
COUNTY OF DALLAS §

WHOLESALE TREATED WATER CONTRACT
between City of Dallas and City of Glenn Heights

THIS WHOLESALE TREATED WATER CONTRACT ("Contract") is made and entered into this the ___ day of _____, 2022, by and between the CITY OF DALLAS, a Texas home rule municipality (hereinafter called "Dallas"), and the CITY OF GLENN HEIGHTS, a Texas home rule municipality (hereinafter called "Customer").

WHEREAS, Customer currently purchases wholesale treated water from Dallas, and Dallas currently delivers and sells wholesale treated water to Customer as set forth under the terms, covenants, and conditions stated in the Current Contract; and

WHEREAS, the Current Contract with Dallas will expire on February 11, 2022; and

WHEREAS, Dallas and Customer desire to enter into a new wholesale treated water contract; and

NOW, THEREFORE, Dallas and Customer, in consideration of the mutual terms, covenants, and conditions contained in this Contract, agree as follows:

Article 1. DEFINITIONS

1.1 **Definitions**. In addition to the definitions stated in the preamble hereof, the following words and phrases as used in this Contract, unless the context clearly shows otherwise, shall have the following meanings:

"Convey" means sell, trade, donate, exchange, transfer title or contract therefor.

"Current Contract" means that certain Wholesale Treated Water Contract dated and effective February 12, 1992 by and between Dallas and Customer.

"Customer's Service Area" means the area within Customer's incorporated limits, as amended from time to time through annexation or disannexation, and any service area described now or hereafter for the provision of retail public water service, even if such service area is outside of Customer's incorporated limits, such service area on the Effective Date being as set forth in Exhibit "B," attached hereto and incorporated herein by reference.

"Delivery Facilities" means the pipes, valves, meters, and other associated equipment and appurtenances necessary to connect Dallas' water distribution system to Customer's water distribution system at the Delivery Points so that delivery of Treated Water from Dallas to Customer is made possible.

"Delivery Points" means those locations set forth in Exhibit "C," attached hereto and incorporated herein by reference, or as may be added to or deleted by written agreement of the parties from time to time, where Dallas' water distribution system connects to Customer's water system and at which delivery of Treated Water occurs to Customer.

"Demand" means the maximum rate of flow of Treated Water that may be taken by Customer from Dallas within a Water Year.

"Demand Schedule" means Customer's written estimate of Customer's annual requirements for delivery and use of Treated Water from Dallas.

"Director" means the Director of Dallas' Department of Water Utilities, or the Director's designated representative.

"Effective Date" shall mean February 12, 2022.

"Memorandum of Agreement" or "MOA" means that certain *Memorandum of Agreement for Wholesale Treated Water* effective June 21, 2010, by and among Dallas, Customer and other local governmental entities, a copy of which is attached hereto as Exhibit "A," and incorporated herein by reference.

"TCEQ" means the Texas Commission on Environmental Quality or its successor agency.

"Treated Water" means raw water that has been treated and purified to at least Drinking Water Standards as required by applicable TCEQ rules and regulations for Public Water Systems, as amended from time to time.

"TWDB" means the Texas Water Development Board.

"Volume" means the actual amount of Treated Water delivered to Customer's Delivery Points on a daily basis.

"Water Year" means the period described by applicable ordinance of the City of Dallas, as may be amended from time to time, which on the Effective Date begins on June 1st of each calendar year and ends on May 31st of the immediately subsequent calendar year.

Article 2. TERM; TERMINATION OF CURRENT CONTRACT

2.1. **Term**. This Contract shall remain in full force and effect for a term of thirty (30) years from February 12, 2022 ("Effective Date") unless terminated earlier as provided herein.

2.2 **Termination of Current Contract**. Upon the Effective Date, the Current Contract shall be null, void, and of no further legal force or effect except as to any provisions that expressly survive the termination of the Current Contract.

Article 3. WATER SALES

3.1 **Sale and Delivery of Treated Water**. Dallas agrees to sell and deliver to Customer, on a wholesale cost basis, Treated Water in accordance with the specifications and restrictions contained in Article 4 of this Contract and in sufficient quantities to meet Customer's Volume and Demand requirements as provided in this Contract.

3.2 **Limitations on Delivery**. Customer understands and acknowledges that delivery of Treated Water to meet Customer's Volume and Demand requirements is subject to and limited by available system supply and system deliverability, as reasonably determined by the Director as well as events of Force Majeure; provided, however, delivery of Treated Water to Customer shall not be unreasonably withheld or reduced.

3.3 **Demand Schedule**. Not later than 60 days after the Effective Date, Customer shall provide to Dallas a Demand Schedule which factors in any reasonably anticipated increases or decreases in Demand during the term of this Contract. Customer shall either reaffirm or, if necessary, revise and update the Demand Schedule not later than ninety (90) days prior to the end of the fifth, tenth, fifteenth, twentieth, and twenty-fifth anniversaries of the Effective Date of this Contract. Customer shall also either reaffirm or update the Demand Schedule not later than ninety (90) days following receipt of a written request for same from Dallas.

3.4 **Customer Changes in Demand**. Customer may from time to time change its Demand as set forth in the Demand Schedule subject to Section 3.7 below. Except as provided in the Special Condition contained in Exhibit "D," Customer shall be required to pay Dallas the Annual Demand Charge based on Section 3.8.

3.5 **Failure to Deliver Demand – Seven Days**. If Dallas fails to make available the currently established Demand for seven (7) or more consecutive days, the Demand charge for each such day shall be an amount equal to the maximum rate of delivery of Treated Water for each day in which full Demand was not met, multiplied by the current Annual Demand charge, then divided by 365, then multiplied by the number of days the Demand was not met. The Demand is calculated daily and is not an averaging of the water delivered for those affected days.

3.6 **Failure to Deliver Demand – Thirty Days**. If Dallas fails to make available to Customer the currently established Demand for thirty (30) or more consecutive days, the Demand charge for that Water Year shall be calculated by using the maximum rate of delivery of Treated Water to Customer for the days in which the full Demand was not met, multiplied by the current Annual Demand charge.

3.7 **Notice of Demand Changes**. Customer shall give reasonable notice to Dallas of anticipated changes in its Demand. Such notice shall be given not less than six (6) months in advance of the effective date of the change if the requested change, when considered with other Dallas Wholesale Treated Customer requests, does not require the construction of additional facilities. The Director may waive the six-month notice requirement for good cause shown. If construction of additional facilities is required, enough additional advance notice shall be given as is necessary to allow for financing, design, and construction of the needed facilities.

3.8 **Year on Which Annual Demand Charge is Based**. Except as provided in Sections 3.5 and 3.6, Customer agrees, for each Water Year, to pay annual Demand charges based on the greater of: (a) the Demand for the current Water Year; or (b) the highest Demand established during the five (5) Water Years preceding the current Water Year.

Article 4. DELIVERY POINTS AND METERING FACILITIES

4.1 **Delivery Point**. Dallas agrees to deliver Treated Water sold to Customer for use within Customer's designated Service Area as identified in Exhibit B, at the Delivery Point(s).

4.2 **Cost of Delivery Facilities**. Except as set forth in Sections 4.3, 4.4, and 4.5, the cost for design and construction of all proposed Delivery Facilities, whether designated in Exhibit C or mutually agreed upon at a later date, shall be borne by Customer. Unless otherwise mutually agreed to by Dallas and Customer, Customer shall be responsible for the design, contracting, construction, and financing of Delivery Facilities and for the acquisition of any right-of-way for delivery of Treated Water from the Dallas water system to the Delivery Points.

4.3 **Oversizing of Delivery Facilities**. Dallas may elect to oversize a proposed Delivery Facility for the benefit of Dallas or other parties. If Dallas requires oversizing of a proposed Delivery Facility, Dallas shall be responsible for oversize costs to the extent of the documented difference in cost between the size of the Delivery Facility required for Customer's need and the size of the Delivery Facility specified by Dallas, including, but not limited to, any additional right-of-way or other temporary or permanent interests in real property that would not otherwise be required without the oversizing of the Delivery Facility. If Customer decides on its own, and not at Dallas' request, to oversize delivery facilities, Dallas shall have the right to use any unused portion of the share of the capacity allocated to Customer for the Customer or other Dallas customers.

4.4 **Approval of Plans; Inspection**. All designs, materials, and specifications for Delivery Facilities shall conform to Dallas' requirements. Plans for the construction of a proposed Delivery Facility shall be submitted to the Director for written approval prior to advertising for bids for such construction. Plans shall be submitted to Dallas to determine if the crossing utilities, parallel utilities, or other items as noted in Article 4, sections 4.12 through 4.15 impact the integrity of the Delivery Facilities. Exceptions may be granted on a case-by-case basis after review and written approval by Dallas. Dallas may require the utility owner to perform and submit additional analysis for approval of exceptions. If the utility is deemed to adversely impact the Delivery Facilities, Dallas reserves the right to deny installation of parallel or crossing utilities or require specific design elements such as but not limited to casing, special backfill, shoring, compaction requirements, an increase in the separation distance, etc. Design shall be in accordance with DWU's design standards as detailed in the DWU Water and Wastewater Procedures and Design Manual and DWU's Standard Drawings for Water and Wastewater Construction Manual. Any deviation from these standards must be mutually agreed upon by Dallas and Customer. Customer agrees that Dallas has the right to make periodic inspections during the construction phase of the Delivery Facilities. Final acceptance of completed Delivery Facilities is subject to the written approval of the Director. Dallas agrees that any approval or consent of Dallas or the Director required by this Section 4.4 shall not be unreasonably withheld or delayed.

4.5 **Meters and Meter Vaults**. Unless otherwise agreed by the parties, Dallas shall construct and maintain meter vaults, meters, and all associated facilities, and obtain electric and telephone service in connection therewith, if needed. Customer agrees to reimburse Dallas for actual and reasonable design and construction costs incurred pursuant to this Section 4.5, but only to the extent such costs are attributable to services provided to Customer, excluding costs of telemetry equipment, telephone and electric service.

4.6 **Conveyance of Delivery Facilities to Dallas**. Customer agrees that after final inspection by the Director of completed Delivery Facilities, Customer will convey title of those Delivery Facilities and rights-of-way in conjunction therewith to Dallas. Upon conveyance of title to Delivery Facilities by appropriate instrument and acceptance by Dallas of those facilities, Dallas shall own the Delivery Facilities and be responsible for operation and maintenance thereof. In no event shall Customer be required to transfer to Dallas fee simple title to real property if an easement in that real property is sufficient to allow Dallas to operate, maintain, repair, replace, or reconstruct the Delivery Facility.

4.7 **Additional Delivery Points**. Customer may at any time during the term of this Contract request additional Delivery Points for delivery of Treated Water under this Contract. The additional requests may be granted with the approval of the Director and shall, when so approved in writing, be deemed to be made a part of this Contract, thereby amending Exhibit C of this Contract without need for a further written supplemental agreement or Dallas City Council approval. Approval of such requests for additional Delivery Points will not be unreasonably withheld or delayed.

4.8 **Access to Dallas Facilities**. Dallas agrees to provide ingress and egress to Dallas' property located within Dallas' incorporated limits to employees, contractors, and agents of Customer to install, operate, inspect, test, and maintain facilities and read meters owned or maintained by Customer or owned or maintained by Dallas and used in providing services to Customer under this Contract; provided, however, Customer's employees, contractors, and agents shall at all times comply with Dallas' policies regarding security and safety as may be adopted from time to time by Dallas for the purpose of safeguarding Dallas' public water system and supply.

4.9 **Access to Customer Facilities**. Customer agrees to provide ingress and egress to Customer's property located within Customer's incorporated limits to employees, contractors, and agents of Dallas to install, operate, inspect, test, and maintain facilities and read meters owned or maintained by Dallas; provided, however, Dallas' employees, contractors, and agents shall at all times comply with Customer's policies regarding security and safety as may be adopted from time to time by Customer for the purpose of safeguarding Customer's public water system and supply.

4.10 **Accuracy of Meters**. It shall be the duty of each party to notify the other party as soon as reasonably possible after a party obtains information that it believes indicates that a meter used to measure the delivery of Treated Water under this Contract is registering inaccurately or malfunctioning. Each meter will be operated and maintained so as to record with commercial accuracy. Dallas will notify Customer prior to any meter tests. Either party has the right to request in writing that a meter be tested, with the other party having the right to witness the test. Dallas shall routinely, but not less than at least once annually, verify the accuracy of delivery meters and

provide Customer notice of such testing to allow Customer to be present to witness the test. Dallas shall thereafter promptly inform the Customer of the results. If Customer requires an independent testing service be used, Customer shall pay the cost of the testing service if any meter used to measure delivery under this Contract is found to be accurate. If the meter is found to be inaccurate, Dallas shall pay the cost of the testing service.

4.11 Liability; Loss of Water. All liability related to, and all accounting for loss of, all Treated Water supplied under the terms of this Contract by Dallas to Customer shall belong to Dallas up to Dallas' side of the meter, including the meter and meter vault, at each Delivery Point. Liability related to, and all accounting for loss of, all Treated Water shall pass to Customer after the Treated Water passes through the meter and meter vault to the Customer at each Delivery Point.

4.12 Altering Delivery Facilities Dallas shall not be required to alter, change, or relocate the Delivery Facilities once complete and in place, unless Customer determines that the alteration is necessary in the public interest. In that event, Customer shall pay for the design and construction of such relocation. All plans that result in the alteration, change, or relocation of the Delivery Facilities shall be reviewed and approved by Dallas. No work shall commence until Dallas has approved the proposed plans, which approval shall not be unreasonably withheld or delayed.

4.13 Work in Proximity to Delivery Facilities Customer may conduct activities in the vicinity of Delivery Facilities at any time for the purpose of performing, installing, or maintaining improvements necessary for the health, safety, and welfare of the public or for any other public purpose whatsoever, and may authorize, allow, license, and permit other utilities, so long as such other utilities do not unreasonably interfere with Dallas's use or maintenance of the Delivery Facilities. Customer agrees that before performing work in the vicinity of the Delivery Facilities, except in an emergency situation, to give Dallas reasonable notice and opportunity to coordinate its work to prevent unnecessary damage or disruption of the Delivery Facilities. Customer agrees to use reasonable efforts not to damage or disrupt the Delivery Facilities.

4.14 Installation of Utilities; Structures near the Delivery Facilities Customer agrees not to install or approve the installation of any utility crossing above or under the Delivery Facilities (crossings shall be measured from the outside of the transmission pipe to the outside of the pipe, cable, duct bank or casing, as applicable) prior to review and written approval of Dallas. Overhead wires crossing the water transmission pipeline shall have a minimum vertical clearance above the natural ground at the centerline of the pipeline in accordance with the National Electric Safety Code and governing laws.

Customer agrees not to install or approve the installation of any parallel utility or crossing horizontally from the transmission pipeline (outside of pipe to outside of pipe, cable, duct bank, casing or overhead wire) prior to review and written approval from Dallas.

Customer agrees that there shall be no construction of any structures, including but not limited to, manholes, vaults, poles, transformers, control boxes, retaining walls, fences or landscape items such as shrubs, trees or planting beds directly above or immediately adjacent to the Delivery Facilities such that inspection, repair, operation and maintenance of the pipeline from the surface would be hindered as determined by Dallas.

4.15 Street Improvements near Delivery Facilities. The parties understand and acknowledge that Customer will modify, improve and/or widen certain streets and public rights-of-way in the future and that Customer may need to acquire rights-of-way, street easements, licenses, or other permissions from adjacent property owners, including Dallas. Dallas agrees to reasonably cooperate with Customer in this regard. Customer acknowledges and agrees that any future decision or requested action relating to the disposition of Dallas-owned property is subject to: (i) the review by appropriate Dallas departments and staff; and (ii) the authorization and approval of the Dallas City Council or other appropriate Dallas authority. Further, Dallas agrees to make every reasonable effort to accommodate the location of franchised utilities in, around or above the Delivery Facilities.

Article 5. INSPECTION OF BOOKS AND RECORDS

Dallas agrees that Customer or its employees or agents may have access to and inspect the books and records of Dallas relating to the delivery and sale of Treated Water to Customer, including, but not limited to, records relating to charges therefor paid by Customer, during reasonable business hours after reasonable prior written notice to the Director. Customer agrees that Dallas or its employees or agents may have access to and inspect the books and records of the Customer's Water Utilities relating to the receipt and resale of Treated Water to its end user customers during reasonable business hours and after reasonable prior written notice to Customer's City Manager.

Article 6. ADDITIONAL SURFACE WATER SUPPLIES

6.1 New Water Source; Reduce Demand Obligation. If Customer develops or acquires additional surface water supplies from any source other than Dallas, and Customer's reliance on such additional surface water supplies results in reduced Demand from Dallas, Dallas is released from its obligation to supply the Demand established pursuant to Section 3 of this Contract to the extent of such reduction in Customer's Demand. In this event, Dallas may adjust its supply obligation to levels commensurate with Customer's reduced Demand on Dallas.

6.2 Payment for Reduction of Demand. Except as the result of a reduction in Demand as agreed pursuant to Article 3 of this Contract, if during the term of this Contract, Customer ceases (wholly or in part) to take water from Dallas for any reason, Customer shall for five (5) years or the balance of this Contract, whichever is less, remain liable for Demand charges at the billing level in effect at the date of notification of such partial or total cessation. This obligation, once established, shall serve as liquidated damages and is intended to compensate Dallas for the expenditures incurred on Customer's behalf for the cost of installation of supply, transmission, treatment, delivery and service facilities. Provided, however, Dallas may waive Customer's obligation pursuant to this Section 6.2 in the event of nominal reductions based on Customer's plans if Dallas has received prior notice of the plans and concurred in the reduction. It is agreed by the parties that liquidated damages are a reasonable substitute for compensatory damages which are difficult or impossible to calculate herein. This obligation is intended by the parties not to be a penalty, but instead, a reasonable measure of damages.

Article 7. RATES AND PAYMENT

7.1 **Setting of Charges by Dallas Ordinance**. Rates charged Customer, including Demand charges established herein, shall be established by ordinance of Dallas. The capital costs contributed by the Customer for Delivery Facilities shall be excluded from the rate base.

7.2 **Rate Setting Method; Notice of Change**. Customer understands that the Dallas City Council has the right to change, by ordinance, the rates charged as needed to cover all reasonable, actual and expected costs. Any change of rates shall be pursuant to principles set forth in the Memorandum of Agreement. Dallas shall give Customer a minimum of six (6) months written notice of intent to change rates. Dallas will furnish Customer a draft copy of the Cost-of-Service Study for Proposed Rates thirty (30) days prior to Dallas submitting a rate increase request to its City Council.

7.3 **Customer Protest**. Customer agrees to give Dallas a minimum of thirty (30) days' notice of its intent to protest rates, or any other condition of service, before the TCEQ or any other state agency.

7.4 **Monthly Invoice**. Each month during the term of this Contract, Dallas agrees to deliver to Customer a statement of charges setting forth the amount of Treated Water delivered to Customer through the Delivery Points for the period covered by the statement, the Volume charge for that month, and any past due amounts carried over from prior invoices (including accrued interest) ("the Monthly Statement"). Payment is due upon receipt of the Monthly Statement. Customer agrees to pay promptly. The Demand charge shall be billed on the Monthly Statement.

7.5 **Late Payment**. Customer agrees that a payment is deemed late if received by Dallas more than 30 days after the date of the Monthly Statement. Late payments shall accrue interest at a 4.25% interest rate or as provided in Section 2-1.1 of the Dallas City Code, as amended, or as authorized by Ch. 2251, Subchapter B of the Texas Government Code, as amended, whichever applies. If any money due and owing by Customer to Dallas is placed with an attorney for collection, Customer agrees to pay to Dallas, in addition to all other payments provided for by this Contract, including interest, Dallas' collection expenses, including court costs and reasonable attorney's fees.

7.6 **Malfunctioning Meter; Estimated Payments**. In the event a meter(s) is discovered to be malfunctioning, the amount of Treated Water that has passed through the meter will be estimated for each day the meter was not functioning correctly. The last correctly measured monthly consumption will be used as a basis for computing the amount of Treated Water delivered to the Customer during the time the meter was not functioning correctly, or other method mutually agreed between Dallas and Customer in writing by the Director and Customer.

7.7 **Disputed Charges**. Dallas and Customer agree that any disputed charges on the Monthly Statement shall be protested in accordance with Tex. Govt. Code § 2251.042, as amended. Customer agrees that in the event it disputes any portion of the charges on the Monthly Statement, Customer will timely pay any undisputed amount in accordance with Section 7.4.

Article 8. CURTAILMENT, WATER CONSERVATION, AND DROUGHT CONTINGENCY PLANS

8.1 Dallas Curtailment of Water During Water Shortage. During a water shortage, Customer understands and acknowledges the Treated Water being provided by Dallas under this Contract is subject to curtailment in accordance with Texas Water Code § 11.039, "Distribution of Water During Shortage," Dallas' water rights, and Dallas' Drought Contingency Plan. Customer acknowledges that if water supplies or services are curtailed within Dallas, that provision of the Texas Water Code authorizes Dallas to impose a like curtailment on deliveries to Customer. Customer shall cooperate by imposing conservation or other lawful measures upon its sales of Treated Water to its end user customers.

8.2 Customer Water Conservation and Drought Contingency Plan. Customer agrees to institute and maintain usage practices which ensure water is used in a manner that reduces the consumption of water, prevents or reduces the loss of water, avoids the waste of water, improves the efficiency in the use of water, increases the recycling and reuse of water and prevents the pollution of water, so that a water supply is made available for future or alternative uses. Customer agrees to develop and implement water conservation and drought contingency plans consistent with the applicable elements of Title 30, Texas Administrative Code, Chapter 288, "Water Conservation Plans, Drought Contingency Plans, Guidelines and Requirements." Customer agrees to furnish to Dallas electronic copies of its water conservation and drought contingency plans and associated TCEQ and TWDB implementation reports.

8.3 Receipt of Dallas Plans. Customer acknowledges that Dallas has provided a copy of its current Water Conservation Plan and Drought Contingency Plan and has advised Customer of where to locate copies of plan updates.

8.4 No Discrimination in Curtailments. To the extent Dallas imposes restrictions or grants privileges of general applicability to itself and customer cities, including rules relating to the curtailment of water delivery and availability, Dallas agrees to impose such restrictions and grant such privileges equitably and in a non-discriminatory fashion.

Article 9. RESALE, WATER RIGHTS, AND REUSE

9.1 No Resale Outside Service Area. Customer agrees not to sell Treated Water purchased from Dallas to any person or entity outside Customer's Service Area unless Customer has received prior written approval from the Director. In granting such authorization, Dallas may establish the terms and conditions of the conveyance of such Treated Water including, but not restricted to, the setting of monetary rates for sale of such water.

9.2 Resale Customers to Adopt Water Conservation and Drought Contingency Plans. In consideration of the written approval of the resale of Treated Water, if so granted, Customer agrees that the wholesale water supply contract with each successive wholesale customer to whom Treated Water is resold must contain a provision requiring said customer to develop and implement a water conservation plan or water conservation measures consistent with the requirements of Section 8.2.

9.3. Rights to Water and Return Flows. Customer understands, acknowledges, and agrees that Customer shall acquire no water rights or title or right to the use, reuse, or recycling of water generated as the result of Dallas' sale and delivery of Treated Water to Customer pursuant to this Contract. Dallas makes no claim and asserts no water rights related to the wastewater effluent return flows produced by Customer as a result of Customer's water use under this Contract, it being expressly understood and agreed to that Customer is not prohibited by this Contract from treating, using or selling such wastewater effluent return flows in accordance with applicable law and TCEQ regulations.

Article 10. RIGHTS-OF-WAY AND STREET USE

10.1 Provision of Easements. Customer agrees to furnish any easements or rights-of-way necessary within or without Customer's boundaries reasonably necessary for Dallas to deliver Treated Water to Customer as provided in Article 4, hereof, and to convey such easements or rights-of-way to Dallas as therein provided.

10.2 Use of Customer Streets, Alleys, and Easements. Under normal operations, subject to the prior written approval of Customer, Dallas may use Customer's streets, alleys and other public rights-of-way and public utility easements within Customer's boundaries for pipeline purposes to provide Treated Water to Customer or to other customers without charges or tolls to the extent that Customer has the legal right to make such grant. Under emergency conditions, Dallas may gain immediate access, without prior written approval of Customer, for emergency repairs. Dallas will notify Customer as soon as possible following the emergency. Dallas agrees to make, at Dallas' cost, the necessary repairs to restore the streets, alleys or public rights-of-way used in accordance with Customer's then existing specifications for such work. Such use and repairs shall be pursuant to the terms and conditions of the conveyance Customer duly grants for such purposes.

10.3 Use of Dallas Streets, Alleys, and Easements. Under normal operations, subject to the prior written approval of Dallas, Customer may use Dallas' streets, alleys and other public rights-of-way and public utility easements within Dallas' boundaries for pipeline purposes to provide Treated Water to Customer without charges or tolls to the extent that Dallas has the legal right to make such grant. Under emergency conditions, Customer may gain immediate access, without written approval of Dallas, for emergency repairs. Customer will notify Dallas as soon as possible following the emergency. Customer agrees to make, at Customer's cost, the necessary repairs to restore the streets, alleys or public rights-of-way used in accordance with Dallas' then existing specifications for such work. Such use and repairs shall be pursuant to the terms and conditions of a private license duly granted by the Dallas City Council.

Article 11. CUSTOMER SYSTEM OPERATION STANDARDS

Customer agrees to operate its water distribution system subject to the following:

A. Customer shall protect Customer's storage and distribution system from cross connections under the specifications required by health standards of the State of Texas.

B. Customer agrees to provide air gaps for any ground storage and backflow preventers for any elevated storage.

C. Customer agrees to provide internal storage sufficient to meet its emergency needs and to maintain a reasonable load factor for deliveries from Dallas to Customer.

D. Customer agrees to maintain and operate its internal system in compliance with all local, state, and federal laws and regulations.

Article 12. MEMORANDUM OF AGREEMENT

The Memorandum of Agreement is incorporated herein, as if copied word for word and is made a part of this Contract. Any revision of the Memorandum of Agreement according to its terms and not in conflict herewith shall automatically be incorporated into and become a part of this Contract.

Article 13. FORCE MAJEURE; RELEASE; INDEMNITY

13.1 Force Majeure. Neither party shall be liable to the other party for any failure, delay, or interruption in the performance of any of the terms, covenants, or conditions of this Contract due to causes beyond their respective control or because of applicable law, including, but not limited to, war, nuclear disaster, strikes, boycotts, labor disputes, embargoes, acts of God, acts of the public enemy, acts of superior governmental authority, floods, riots, rebellion, sabotage, terrorism, or any other circumstance for which a party is not legally responsible or which is not reasonably within its power to control. The affected party's obligation shall be suspended during the continuance of the inability then claimed, but for no longer period. To the extent possible, the party shall endeavor to remove or overcome the inability claimed with all reasonable dispatch.

13.2 Release for Line Damages. CUSTOMER HEREBY AGREES TO RELEASE AND HOLD DALLAS WHOLE AND HARMLESS FROM ANY CLAIMS OR DAMAGES ARISING NOW AND IN THE FUTURE: (1) TO CUSTOMER'S WATER MAINS OR WATER SYSTEM RESULTING FROM THE RATE OF FLOW OR QUANTITY OF WATER DELIVERED BY DALLAS; AND (2) AS A RESULT OF THE CHEMICAL OR BACTERIOLOGICAL CONTENT OF WATER PROVIDED TO CUSTOMER, UNLESS, THE DAMAGES RESULTING FROM THE CHEMICAL OR BACTERIOLOGICAL CONTENT OF THE WATER ARE CAUSED BY THE NEGLIGENT ACT OR OMISSION OF DALLAS, ITS OFFICERS, EMPLOYEES, AGENTS, OR CONTRACTORS.

13.3 Indemnification. TO THE EXTENT ALLOWED BY LAW, CUSTOMER AGREES TO DEFEND, INDEMNIFY AND HOLD DALLAS, ITS OFFICERS, AGENTS AND EMPLOYEES, HARMLESS FROM ANY LIABILITY IN CLAIMS, ADMINISTRATIVE PROCEEDINGS OR LAWSUITS FOR JUDGMENTS, PENALTIES, FINES, COSTS, EXPENSES AND ATTORNEY'S FEES FOR PERSONAL INJURY (INCLUDING DEATH), PROPERTY DAMAGE, OTHER HARM FOR WHICH RECOVERY OF DAMAGES IS SOUGHT, SUFFERED BY ANY PERSON OR PERSONS, OR FOR VIOLATIONS OF STATE OR FEDERAL LAWS OR REGULATIONS, THAT MAY

ARISE OUT OF OR BE OCCASIONED BY: (A) A BREACH OF THIS CONTRACT BY CUSTOMER; (B) THE NEGLIGENT ACT OR OMISSION OF CUSTOMER IN THE PERFORMANCE OF THIS CONTRACT OR IN CUSTOMER'S DAY-TO-DAY WATER OR WASTEWATER UTILITY OPERATIONS; OR (C) THE CONDUCT OF CUSTOMER THAT CONSTITUTES A VIOLATION OF STATE OR FEDERAL LAWS OR REGULATIONS. PROVIDED, HOWEVER, THAT THE INDEMNITY STATED ABOVE SHALL NOT APPLY TO ANY LIABILITY RESULTING FROM DALLAS' SOLE VIOLATION OF A STATE OR FEDERAL LAW OR REGULATION OR FROM THE SOLE NEGLIGENCE OF DALLAS, ITS OFFICERS, AGENTS, EMPLOYEES OR SEPARATE CONTRACTORS, AND IN THE EVENT OF THE JOINT AND CONCURRING RESPONSIBILITY OF CUSTOMER AND DALLAS, RESPONSIBILITY AND INDEMNITY, IF ANY, SHALL BE APPORTIONED COMPARATIVELY IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, WITHOUT WAIVING GOVERNMENTAL IMMUNITY OR ANY OTHER DEFENSES OF THE PARTIES UNDER APPLICABLE TEXAS LAW. THE PROVISIONS OF THIS PARAGRAPH ARE SOLELY FOR THE BENEFIT OF THE PARTIES TO THIS CONTRACT AND D ARE NOT INTENDED TO CREATE OR GRANT ANY RIGHTS, CONTRACTUAL OR OTHERWISE, TO ANY OTHER PERSON OR ENTITY.

13.4 Equitable Remedies. Recognizing that Dallas' and Customer's undertakings as provided in this Contract are obligations, the failure in the performance of which can not be adequately compensated in money damages, Dallas and Customer agree that, in the event of any default, the other party shall have available to it the equitable remedy of specific performance in addition to other legal or equitable remedies which may be available to such party.

Article 14. SPECIAL PROVISIONS

This Contract shall incorporate and be subject to the following additional special provisions:

A. Provisions peculiarly applicable to the Contract with Customer as opposed to other wholesale treated water customers, which are set forth in Exhibit "D," attached hereto and incorporated herein by reference.

Article 15. MISCELLANEOUS PROVISIONS

15.1. Contract Administration. This Contract shall be administered on behalf of Dallas by the Director and on behalf of Customer by its authorized official or designated representative, who shall initially be Customer's City Manager.

15.2 Notice of Contract Claim. **This Contract is subject to the provisions of Section 2-86 of the Dallas City Code, as amended, relating to requirements for filing a notice of a breach of contract claim against City. Section 2-86 of the Dallas City Code, as amended, is expressly incorporated by reference and made a part of this Contract as if written word for word in this Contract. Customer shall comply with the requirements of this ordinance as a**

precondition of any claim relating to this Contract, in addition to all other requirements in this Contract related to claims and notice of claims.

15.3 Venue. The obligations of the parties to this Contract shall be performable in Dallas County, Texas, and if legal action is necessary in connection with or to enforce rights under this Contract, exclusive venue shall lie in Dallas County, Texas.

15.4 Governing Law. This Contract shall be governed by and construed in accordance with the laws and court decisions of the State of Texas, without regard to conflict of law or choice of law principles of any other state.

15.5 Legal Construction. In case any one or more of the provisions contained in this Contract shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Contract, and this Contract shall be considered as if such invalid, illegal, or unenforceable provision had never been contained in this Contract.

15.6 Counterparts. This Contract may be executed in any number of counterparts, each of which shall be deemed an original and constitute one and the same instrument. If this Contract is executed in counterparts, then it shall become fully executed only as of the execution of the last such counterpart called for by the terms of this Contract to be executed.

15.7 Captions. The captions to the various clauses of this Contract are for informational purposes only and shall not alter the substance of the terms and conditions of this Contract.

15.8 Successors and Assigns. This Contract shall be binding upon and inure to the benefit of the parties and their respective successors and, except as may otherwise be provided in this Contract, their assigns.

15.9 Notices. Except as otherwise provided in Section 15.2, any notice, payment, statement, or Demand required or permitted to be given under this Contract by either party to the other may be effected by personal delivery in writing or by mail, postage prepaid. Mailed notices shall be addressed to the parties at the addresses appearing below, but each party may change its address by written notice in accordance with this section. Mailed notices shall be deemed communicated as of three (3) days after mailing.

If to Dallas:	If to Customer:
City of Dallas Director of Water Utilities 1500 Marilla Street– 4/A/North Dallas, Texas75201	City of Glenn Heights Attn: City Manager 1938 S. Hampton Glenn Heights, Texas 75154

15.10 Conflict of Interest. The following section of the Charter of the City of Dallas shall be one of the conditions, and a part of, the consideration of this Contract, to wit:

"CHAPTER XXII. Sec. 11. FINANCIAL INTEREST OF EMPLOYEE OR OFFICER PROHIBITED --

(a) No officer or employee shall have any financial interest, direct or indirect, in any contract with the City or be financially interested, directly or indirectly, in the sale to the City of any land, materials, supplies or services, except on behalf of the City as an officer or employee. Any violation of this section shall constitute malfeasance in office, and any officer or employee guilty thereof shall thereby forfeit the officer's or employee's office or position with the City. Any violation of this section, with knowledge, express or implied, of the person or corporation contracting with the City shall render the contract involved voidable by the City Manager or the City Council.

(b) The alleged violations of this section shall be matters to be determined either by the Trial Board in the case of employees who have the right to appeal to the Trial Board, and by the City Council in the case of other employees.

(c) The prohibitions of this section shall not apply to the participation by City employees in federally-funded housing programs, to the extent permitted by applicable federal or state law."

For purposes of this Section 15.10, the word "City" means "City of Dallas."

15.11 Gift to Public Servant. This Contract shall be subject to the following additional provisions:

A. Dallas may terminate this Contract immediately if Customer has offered or agreed to confer any benefit upon a Dallas employee or official that the Dallas employee or official is prohibited by state law or local ordinance from accepting.

B. For purposes of this section, "benefit" means anything reasonably regarded as pecuniary gain or pecuniary advantage, including benefit to any other person in whose welfare the beneficiary has a direct or substantial interest, but does not include a contribution or expenditure made and reported in accordance with law.

C Notwithstanding any other legal remedies, Dallas may require Customer to remove any officer or employee of Customer from the administration of this Contract or any role in the performance of this Contract who has violated the restrictions of this section or any similar state or federal law, or local ordinance, and obtain reimbursement for any expenditures made as a result of the improper offer, agreement to confer, or conferring of a benefit to a Dallas employee or official.

15.12 Applicable Laws and Regulations. This Contract is made subject to, and Dallas and Customer agree to comply with, all applicable laws of the State of Texas, applicable rules, regulations and orders of the TCEQ and Texas Water Development Board (TWDB) (or any

successor entities thereto), Federal Law (including but not limited to environmental and water quality laws, rules, orders, and regulations), and the Charter and other ordinances of the City of Dallas and the Dallas/Fort Worth International Airport Board, as same may hereafter be amended. This Contract's effectiveness is dependent upon Dallas' and Customer's compliance with Title 30, Texas Administrative Code, Section 295.101 and Title 30, Texas Administrative Code, Chapter 297, Subchapter J (relating to water supply contracts and amendments), as amended. This Contract may be subject to review and approval by TCEQ or TWDB. In the event of any final judgment finding any violation of the laws, rules, regulations, or orders by Customer described above, Customer, shall be strictly liable for any damages caused to the property of Dallas, as a result of such violation.

15.13 Authorization to Act. By their signature below, the representatives of Dallas and Customer state that they are authorized to enter into this Contract. Dallas and Customer shall each provide documentation that this Contract has been authorized by its respective governing body.

15.14 Entire Agreement; No Oral Modifications. This Contract (with all referenced Exhibits, attachments, and provisions incorporated by reference) embodies the entire agreement of both parties, superseding all oral or written previous and contemporary agreements between the parties relating to matters set forth in this Contract. Except as otherwise provided elsewhere in this Contract, this Contract cannot be modified without written supplemental agreement executed by both parties.

[Remainder of this page intentionally left blank. Signatures appear on the following page.]

EXECUTED this the ___ day of _____, 2022, by the City of Dallas, signing by and through its City Manager, duly authorized to execute same by Resolution No.22-_____, adopted by the City Council on _____, 2022, and by Customer, acting through its duly authorized officials.

APPROVED AS TO FORM:

CHRISTOPHER J. CASO
City Attorney

BY_____
Assistant City Attorney

CE

CITY OF DALLAS

T.C. BROADNAX
City Manager

BY_____
Assistant City Manager

ATTEST:

BY_____
Brandi Brown, City Secretary

CUSTOMER:
CITY OF GLENN HEIGHTS

BY_____
David A. Hall, City Manager

APPROVED AS TO FORM:

BY_____
Victoria W. Thomas, City Attorney

EXHIBIT A

MEMORANDUM OF AGREEMENT

Memorandum of Agreement (MOA)
for
Wholesale Treated Water

Preamble: The 1979 MOA settled a rate dispute lawsuit between Dallas and its Wholesale Treated Water Customers regarding the wholesale treated water rate-setting methodology ("rate-setting methodology"), and as such has served the rate-setting methodology process well over the past 30 years. This amended agreement recognizes that changes to the rate-setting methodology have occurred over this timeframe, and incorporates consensus changes between Dallas and its Wholesale Treated Water Customers, and as such will serve to govern the rate-setting methodology for the next 30 years.

1. Purpose: Dallas is a regional water provider currently providing treated water service to Wholesale Treated Water Customers located within Dallas' established service area in North Central Texas. The purpose of this agreement is to establish the rate-setting methodology and formalize the mutual expectations of Dallas and its Wholesale Treated Water Customers with respect to rate-setting methodology. This rate-setting methodology will provide the basis for determining wholesale treated water rates after its effective date.

2. Applicability: This agreement is subject to all applicable orders, laws and regulations of the City of Dallas, State of Texas and the United States. If any state or federal governmental agency having jurisdiction disapproves any material part of this agreement during the term, the agreement is subject to cancellation by any party and renegotiation by Dallas and its Wholesale Treated Water Customers.

3. Water System Policy: Dallas operates a water system to provide a regulatory compliant, safe and reliable water supply, adequate for the current water use and future growth of Dallas and its Wholesale Treated Water Customers, and to avoid subsidization of any class of customers.

4. Definitions: A glossary which defines applicable cost of service terms is located in Appendix A of this MOA. Cost of service terms may be added, or the definition of an existing term amended, from time to time, without the necessity of amending this MOA. Additions and amendments will be reflected in the appendices attached to the annual cost of service studies.

5. Responsibilities:

    a. Dallas is responsible for planning, financing, constructing, operating and maintaining the water supply system to the extent permitted by available water revenues, for developing cost of service information to support wholesale rate changes, and for informing Wholesale Treated Water Customers of wholesale rate changes and other pertinent utility information.

Page 1 of 31

b. Wholesale Treated Water Customers are responsible for keeping Dallas informed concerning their projected water supply needs and operating requirements for planning, managing and maintaining their retail systems to promote water conservation and efficient system operation, and for paying adequate rates to Dallas to cover the costs incurred by Dallas in providing service to them.

6. Rate-Setting Methodology for Wholesale Treated Water:

a. Revenue requirements are to be determined on a utility basis, at original cost, including construction work in progress.

b. Dallas is to receive a rate of return on rate base equal to embedded interest rate on water revenue bonds, commercial paper and other debt instruments plus 1.5 percent, which is agreed to be an adequate return to cover its costs and risks and as compensation for ownership and management responsibilities.

c. All existing and future water supplies and associated facilities are to be included in a common water rate base. Wholesale Treated Water Customers, as a class, shall pay their proportionate share of costs for water supply, including that portion held for future use. For the 2010 cost of service study, wholesale treated water customers shall be allocated a percentage of total reservoir costs based on a 10-year future use percentage calculated using a 24-year linear regression. This percentage shall be increased or decreased in direct proportion to future changes in actual usage in conjunction with the cost of service studies. (Dallas will pay the balance of water supply costs which are not allocated to Wholesale Treated Water Customers under the cost of service allocation.) Allocation of costs other than water supply costs, including but not limited to operations and maintenance costs, shall be based on current use.

d. Direct reuse of treated wastewater effluent is an Inside Dallas only cost and will be allocated to Inside Dallas customers only. Indirect reuse of treated wastewater effluent for lake augmentation will be included as a cost and as a benefit common-to-all.

e. There will be a two part wholesale treated water rate (volume and demand), with allocation of costs in rate design so as to encourage conservation and efficient operation of the water systems of Dallas and its Wholesale Treated Water Customers.

f. At the end of ten years from the Effective Date of the MOA, and each ten years thereafter, the City of Dallas or a majority of the Wholesale Treated Water Customers who are parties to this agreement may request a review of the above rate-setting methodology; and if so, the methodology shall be subject to renegotiation.

7. Wholesale Treated Water Rates: After the effective date of this MOA, Dallas will prepare a cost of service study to support wholesale treated water rates and allocations, and will submit it to the Wholesale Treated Water Customers to review and accept prior to submission to the Dallas City Council. Except as noted herein, the cost of service rate-setting principles will adhere to the 2009 cost of service study, including changes that have been identified and implemented since that date.

8. Effective Date: This MOA is effective as of December 17, 2009.

9. Term: The term of this MOA is thirty (30) years from its effective date, or until December 16, 2039, and for such additional periods as the parties may mutually agree upon.

10. Approved changes: Changes in the rate-setting methodology or other conditions may be made by mutual agreement of all parties at any time.

11. Individual contracts: This MOA is considered a replacement of and supersedes the 1979 MOA and shall automatically be incorporated and become a part of all existing wholesale treated water contracts without any further action or approval on the part of the City or of the Wholesale Treated Water Customers. Rate-setting methodology for individual contracts for wholesale treated water service between Dallas and its Wholesale Treated Water Customers will be consistent with this MOA. Dallas and its Wholesale Treated Water Customers will honor their existing water service contracts until such time as the contracts are amended or superseded by a new contract. Contracts for new Wholesale Treated Water Customers will be consistent with this MOA.

12. Recognition of MOA Participants: The MOA renegotiation process took place over many months during 2009 and 2010 and involved a number of meetings to discuss possible changes, revisions, and alternatives to the existing MOA. To that end, the City of Dallas would like to thank the individuals listed below for their outstanding input and contributions in the MOA update and renegotiation process, without whose help this revised document would not have been possible. Participants are listed in attached Appendix B.

13. Authorization to Act: By their signatures below, the representatives of Dallas and the Wholesale Treated Water Customers state that they are authorized to enter into this MOA. Dallas and the Wholesale Treated Water Customers will each provide documentation that this MOA has been authorized by its respective governing body.

14. Counterparts: This MOA may be executed in any number of counterparts, each of which shall be deemed an original and constitute one and the same instrument.

EXECUTED as of the 1st day of June, 2010, on behalf of Dallas by its City Manager, duly authorized by Resolution No. 10-1231, adopted on the 12th day of May, 2010 and approved as to form by its City Attorney.

APPROVED AS TO FORM:
THOMAS P. PERKINS, JR.
City Attorney

BY _____
Assistant City Attorney

Submitted to City Attorney

CITY OF DALLAS
MARY K. SUHM
City Manager

BY _____
Assistant City Manager

EXECUTED as of the 17 day of May, 2010, on behalf of the City of Glenn Heights, Texas, by its City Manager, duly authorized by Resolution No. _____, adopted on the ____ day of _____, 2010 and attested to by its City Secretary.

ATTESTED:

BY Othel Murphree
City Secretary

Printed Name: Othel Murphree

CITY OF GLENN HEIGHTS, TEXAS

BY Jacqueline L. Lee
Jacqueline L. Lee, City Manager

APPENDIX A
GLOSSARY OF TERMS

Allocation - The apportioning of the common-to-all cost of service.

Common-To-All - Facilities, and their associated cost, that are dedicated to providing treated water service to both Dallas and Wholesale Treated Water Customers.

Construction Work in Progress (CWIP) - The utility's investment in facilities under construction but not yet dedicated to service.

Demand Costs - Costs associated with providing facilities to meet peak rates of use, or demand, placed on the system by the customers.

Depreciation - The wearing out or loss in service value of property used in utility operations.

Depreciation Rate - The rate of loss in service value, based on the expected service life of property.

Depreciation Reserve - The accumulated amount of the loss in service value of property.

Direct Reuse – The use of treated wastewater effluent from Dallas' wastewater treatment plants for non-drinking water purposes within the boundaries of the City of Dallas.

Embedded Interest Rate - Annual interest expense expressed as a percentage of average debt.

Indirect Reuse – The use of treated wastewater effluent from Dallas' wastewater treatment plants for raw water supply augmentation purposes.

Inside Dallas - The group of retail treated water service customers, comprised of residential, commercial and industrial customers served by Dallas Water Utilities.

Interest Expense - Payment made for the use of borrowed funds.

Materials & Supplies – Assets in inventory which are required to meet current obligations and service responsibilities of the utility.

Maximum Day Demand - The maximum demand placed on the system over a 24-hour period.

Maximum Hour Demand - The maximum demand placed on the system over a 60-minute period on the system's maximum day.

MGD - Million gallons per day flow rate.

Operating Expenses - Operation and maintenance charges incurred in operating a utility.

APPENDIX A
GLOSSARY OF TERMS
(PAGE 2 OF 2)

Original Cost - The amount of investment in facilities when first put into service.

Rate Base - Total investment dedicated to providing utility service.

Rate of Return - The percentage of return authorized to be earned on an investment (e.g. a rate base).

Reservoir Capacity - The amount of water available from a reservoir.

Reservoir Costs - Costs incurred in acquiring and maintaining an untreated water supply system.

ROFC - Rate of flow controller. A device limiting instantaneous flow rate to a specific amount. Instantaneous flow rate for rate setting purposes is a per day setting.

Standby Service - Connection to wholesale treated water customer which is not normally used, excluding bypass lines which are required by Dallas Water Utilities as a part of an active metering facility.

Test Period (or Test Year) - Selected to be representative of the period of time over which the new rates are expected to be in effect.

Treated Water - Raw water that has passed the purification process.

Unaccounted for Water - Water produced but not billed to customers that result from metering inaccuracies, system leakage, and miscellaneous unmetered uses.

Volume Costs - Costs that tend to vary directly with the amount of water produced and sold.

Water Supplies and Associated Facilities – Dallas' water supply system, including, but not limited to, all reservoirs, indirect reuse water, and all system infrastructure.

Wholesale Cost of Service - The sum total of: (1) operating expense, (2) depreciation expense, and (3) return on investment. Depreciation expense and rate of return are on the original cost of investment less accumulated depreciation, capitalized interest and contributed capital.

Wholesale Treated Water Customers – The group of water customers of the City of Dallas which currently have a wholesale treated water contract with Dallas.

Working Capital - Assets (funds) which are required to meet current obligations and service responsibilities of the utility.

APPENDIX B

MOA WORKING GROUP

Addison:	Randy Moravec Lauren Clark
Carrollton:	Bob Scott Lori Iwanicki David Gaines
Cedar Hill:	Ruth Antebi-Guten
The Colony:	Tod Maurina
Coppell:	Chad Beach Kim Tiehen
Dallas Fort Worth Airport:	Jerry Dennis
Dallas County W.C.&I.D. #6:	Robert Rodriquez Red Taylor William Freeman
Denton:	Tim Fisher
DeSoto:	Isom Cameron Tom Johnson
Duncanville:	Frank Trando Richard Summerlin Dennis Schwartz
Farmers Branch:	Charles Cox Mark Pavageaux
Flower Mound:	Chuck Springer Kenneth Parr
Glenn Heights:	Judy Bell
Grand Prairie:	Ron McCuller Doug Cuny
Grapevine:	Ramana Chinnakotla Kent Conkle
Irving:	Aimee Kaslik David Cardenas
Lewisville:	Carole Bassinger

Red Oak:	Charles Brewer
Richardson:	Kent Pfeil Keith Dagen
University Park:	Kent Austin
Upper Trinity Regional Water District:	Tom Taylor Larry Patterson
Dallas:	Jo M. (Jody) Puckett Bobby Praytor Charles Stringer Terry Lowery Denis Qualls Jacqueline Culton Tonia Barrix Melissa Paschall-Thompson Erica Robinson Maria Salazar

EXHIBIT B

DESCRIPTION AND MAP OF CUSTOMER'S SERVICE AREA

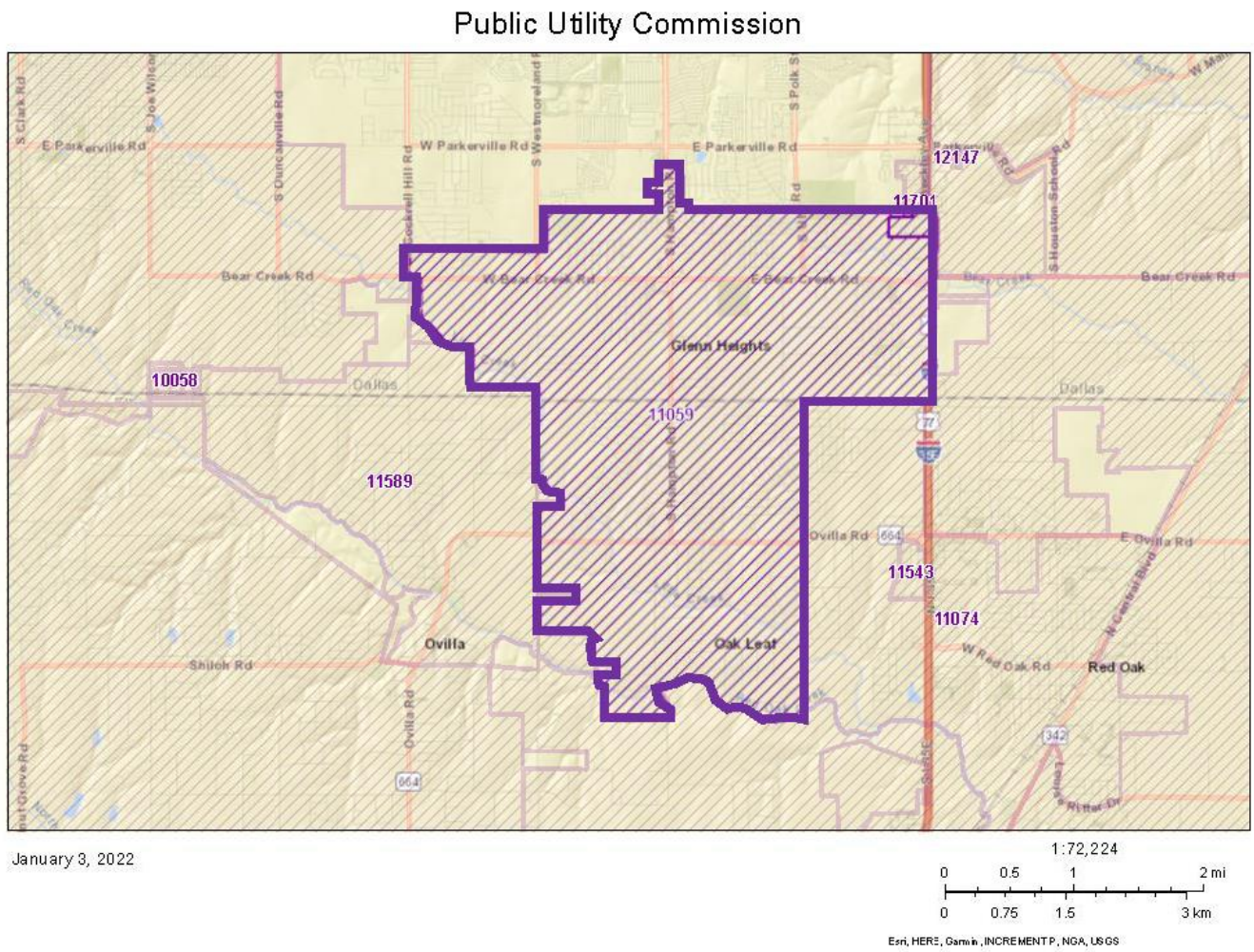

EXHIBIT C

DELIVERY POINTS OF ENTRY AND METERING FACILITIES

Description: Wholesale Treated Water is currently provided to Customer at the following delivery point.

DELIVERY POINT 1:

Following is a description of the metering and delivery facilities as they were designed and constructed under the provisions of this Contract of which Exhibit C is a part.

Location: The metering station is located at the northern dead end of Harbor View Road at 1600 Harbor View Road, Glenn Heights, TX 75154. The site is owned by the City of Glenn Heights.

Metering Facilities: The primary meter is a 16-inch venturi meter with a rate of flow control valve sized for a delivery rate of no more than 19.5 MGD. The maintenance meter is a 10-inch turbine meter installed within the vault parallel to the primary meter. The turbine meter is capable of delivering a maximum of 10 MGD.

The metering facilities are owned and operated by Dallas.

Pipeline Capacity: Glenn Heights is entitled to 5 MGD of the capacity delivered to the meter vault. Dallas has the right to use any unused portion of the share of the capacity allocated to Customer for the Customer or other Dallas customers, but may not impair its ability to deliver to the Customer its reserved capacity when requested by the Customer.

Future Facilities: Should additional delivery points be agreed upon in the future, this Exhibit C will be revised to recognize these facilities. Revisions to this Exhibit C in order to add, delete, or modify delivery points or metering facilities can be authorized by the DWU Director and do not require Dallas City Council approval.

EXHIBIT C

DELIVERY POINTS OF ENTRY AND METERING FACILITIES

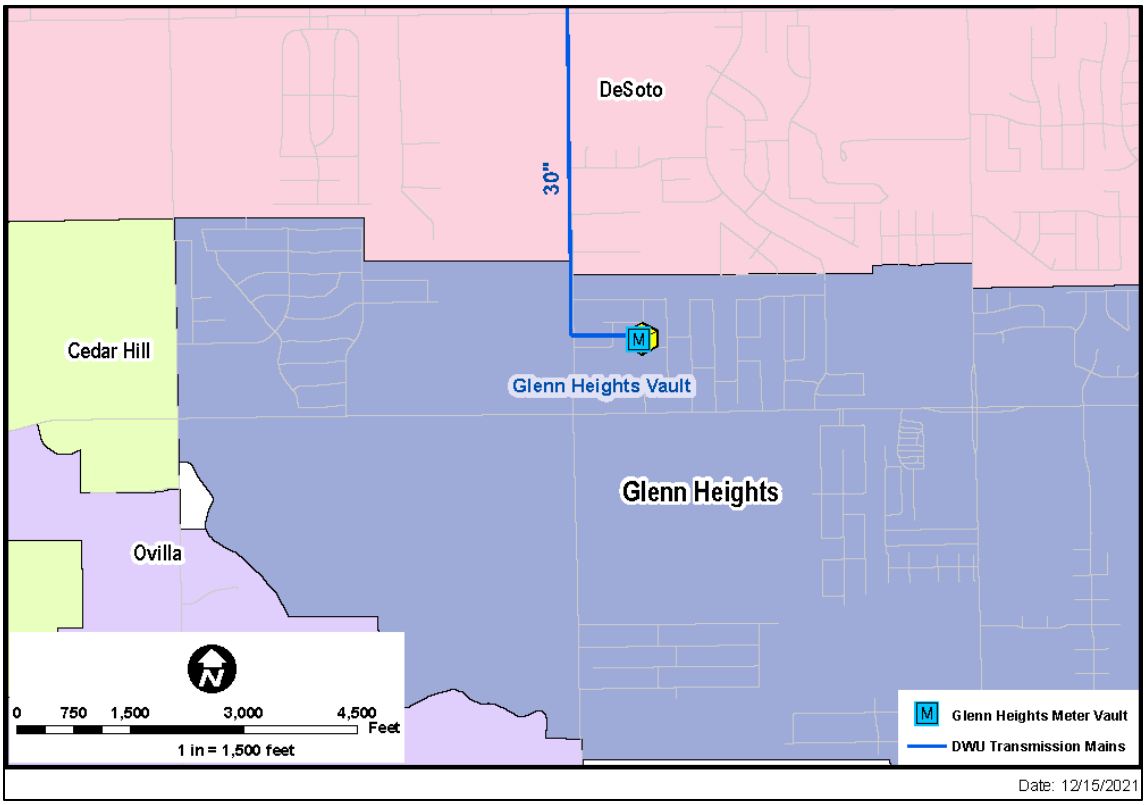

EXHIBIT D

SPECIAL CONTRACT CONDITIONS/AGREEMENTS

Customer and Dallas agree that this Exhibit D, containing conditions and clarifications to the respective Sections of this Contract as numbered below, are a part of this Contract and should be considered as such for purposes of administration and interpretation.

C9.1 and 9.2 RESALE, WATER RIGHTS, AND REUSE

At the commencement date of this Contract, Customer provides retail treated water service to retail customers outside its corporate limits but within its treated water service area as required by customer's "Certificates of Convenience and Necessity" on file with the State of Texas. This retail service by Customer includes service to retail customers within the corporate limits of the city of Oak Leaf and within other areas of Ellis and Dallas Counties. This Contract recognizes Customer's obligation to provide water service within its treated water service area and accordingly grants approval for Customer to provide retail treated water service to its customers within its treated water service area which includes the City of Oak Leaf and other areas of Ellis County.

C-EXHIBIT C DELIVERY POINTS OF ENTRY AND METERING FACILITIES

Customer receives treated water service from Dallas through a 30" and 42" water transmission main in Westmoreland Road. Customer and the City of DeSoto constructed the 42" section of the water transmission main together under the provisions of a January 8, 1986, cost sharing agreement entitled "Agreement for Construction of Water Transmission Facilities." The agreement provides for Glenn Heights share of the 42" pipeline capacity to be 7.5 MGD, although it anticipates that Customer may receive only 5 MGD at its metering station.

A copy of the "Agreement for Construction of Water Transmission Facilities" is attached to this Exhibit and is incorporated herein, as if copied word for word and is made a part of this Exhibit and this Contract.

If additional special conditions or agreements pertaining to this Contract are required in the future, Exhibit D will be amended. Amendments to this Exhibit D that do not materially affect the terms of the Contract can be authorized by the DWU Director and do not require Dallas City Council approval.

EXHIBIT E

RECIPROCAL WATER AND/OR WASTEWATER SERVICE AGREEMENT

1. RECIPROCAL WATER AND/OR WASTEWATER SERVICE AGREEMENT FOR SINGLE FAMILY RESIDENCES OR DUPLEXES – WHEN SERVICING CITY HAS MAINS IN PLACE

The City of Dallas, Texas, hereinafter called "Dallas," and the City of Glenn Heights, Texas, hereinafter called "Customer," hereby mutually agree to the following, based on the status of Dallas' mains as of the time of execution of this Reciprocal Water and/or Wastewater Service Agreement, hereinafter called "Agreement": Upon written request of either Dallas or Customer, the city requested to do so shall provide water and/or wastewater service to customers along the public streets, roadways, alleys and easements that form the common city limit boundary of Dallas and Customer, provided that neither city will be required to provide such service to customers of the other city if doing so would result in a need for substantial construction or diminution of the level of service being provided to other customers of said city.

The class of service contemplated by this Paragraph 1 anticipates a temporary connection until such time as the city requesting service will have water and/or wastewater mains available. This category of service requires consideration on an individual case basis. Determination will be rendered upon written request being made by the city in which the potential customer is located.

Nothing contained in this Agreement shall require that either city will be compelled to accept a customer classed under this Paragraph 1 after a determination by the servicing city that service is not economical or otherwise not in the best interest of the servicing city.

A. Service will be provided to single family residences or duplexes situated on no more than one acre of land located immediately adjacent to the common boundary.

B. The city providing the water and/or wastewater service contemplated under this Paragraph shall charge the customer so served the same rates and associated charges as charged customers whose property lies within its own areas and boundaries and who are in the same category of service.

C. The customer being served will be required to pay all applicable fees related to the services provided including a connection service charge to the city furnishing service. The connection service charge shall be the then current amount established by the servicing city's ordinances. If a service charge is not specified by the current ordinances for the size or type service to be provided, the service charge shall be servicing city's actual cost of rendering the service.

2. RECIPROCAL WATER AND/OR WASTEWATER SERVICE AGREEMENT FOR: (1) SINGLE FAMILY RESIDENCES OR DUPLEXES WHERE MAINS ARE NOT IN PLACE, (2) COMMERCIAL AND INDUSTRIAL COMPLEXES, (3) RESIDENTIAL SUBDIVISIONS, APARTMENTS OR TOWNHOUSES AND OTHER MULTI-DEWLLING RESIDENTIAL UNITS.

Dallas and Customer hereby mutually agree to provide temporary water or wastewater service, or both, to customers along the public streets, roadways, alleys and easements forming a common city limit boundary of Dallas and Customer upon written request of either city to the other, provided that neither city will be required to provide such service to customers of the other city if doing so would result in a need for substantial construction or diminution of the level of service being provided to other customers of said city.

The class of service contemplated by this Paragraph 2 anticipates a temporary connection until such time as the city requesting service will have water and/or wastewater mains available. This category of service requires consideration on an individual case basis. Determination will be rendered upon written request being made by the city in which the potential customer is located. Nothing contained in this Agreement shall require that either city will be compelled to accept a customer classed under this Paragraph 2 after a determination by the servicing city that service is not economical or otherwise not in the best interest of the servicing city.

A. Service will be provided to the following type customers whose properties are located immediately adjacent to or in reasonable proximity of the common boundary:

1) Single family residences or duplexes where mains are not in place.

2) Individual commercial and industrial properties containing no more than 200,000 square feet of building floor space, provided that commercial or industrial facilities in excess of 200,000 square feet consuming only nominal amounts of water or contributing only nominal amounts of wastewater may be considered as an exception to this provision.

3) Specific residential subdivisions consisting of no more than 20 single family units and apartment complexes, townhouses or other type of multiple dwelling units consisting of no more than 35 single family units in the immediate area for which service is being requested.

B. The city providing the water and/or wastewater service contemplated under this Paragraph shall charge the customer served the same rated and associated charges as charged customers whose property lies within its own areas and boundaries and who are in the same category of service.

C. As a precondition of receiving service, the customer being served may also be required to pay all or part of the costs determined to be necessary to extend service and to pay the normal service charges for the type of service being offered. Applicability of costs of extending service shall be determined by the officials designated in Paragraph 4.B. of this Agreement. Normal service costs will be determined as contemplated by Paragraph l.C. All construction work shall meet the specifications of the city within whose boundaries the facilities are constructed.

3. TEMPORARY RECIPROCAL SERVICES PROVIDED (1) DIRECTLY TO BORDERING CITIES AND (2) TO COMMERCIAL, INDUSTRIAL OR OTHER COMPLEXES NOT CONTEMPLATED BY PARAGRAPH 2.

When services are requested and it is determined by the city from which service is requested that the service is appropriate and can be offered without diminution of the level of service being provided to other customers of the servicing city, Dallas and Customer hereby mutually agree to provide temporary water and/or wastewater service on a reciprocal basis when (1) the service to be furnished is to be provided directly to the reciprocating city as the customer or, (2) the service to be furnished is for a commercial, industrial, or other customer not meeting the criteria for service consideration in Paragraph 2.

The class of service contemplated by this Paragraph 3 shall be offered at the option of the servicing city. Determination of service feasibility will be rendered upon written request being made by the city requiring service. Nothing contained in this Agreement shall require that either city will be compelled to offer service after a determination by the servicing city that service is not economical or otherwise not in the best interest of the servicing city.

The city providing the water or wastewater service contemplated under this Paragraph shall charge the customer served the same rate and associated charges as charged customers whose property lies within its own areas and boundaries.

The city requesting the service shall pay full cost of any extension, facilities or improvements required to make the service available. The amount of the charges shall be determined by the officials designated in Paragraph 4.B. of this Agreement. All construction work shall meet the specifications of the city within whose boundaries the facilities are constructed.

4. GENERAL TERMS AND CONDITIONS

Service will be provided from mains in the public streets, roadways, alleys and easements existing along the common boundaries of Dallas and Customer under the following terms and conditions, which shall apply equally to either City:

A. Neither party to this Agreement is obligated to provide water nor does wastewater service to the other party, and each party have the right to refuse to provide water or wastewater service, under this Agreement, to the other party.

B. The city requiring services shall initiate the request for reciprocal services by forwarding a written request for service. The request shall be accompanied by a map which identifies the location of the proposed properties. Approval of requests for services shall be in writing and will be forwarded or approved by the following:

If for Dallas:	If for Customer:
Dallas Water Utilities	City of Glenn Heights
Director	Attn: City Manager
1500 Marilla Street -Room 4/A/N	P.O. Box 9478
Dallas, Texas 75201	Coppell, TX 75019

C. Meter boxes, service lines, laterals and other facilities necessary to provide service shall, upon installation, become the property of the city furnishing service if accepted or agreed to by said city.

D. The customer to be served will sign a contract with the city furnishing service, agreeing to abide by all the ordinances of that city which relate to the furnishing of said service.

E. The city requesting service under this Agreement hereby grants to the city providing such service authorization to go upon the public streets, roadways, alleys and easements of the former city for the purpose of installing, maintaining and removing such facilities as are necessary to provide service.

Customer agrees that, with prior written approval of Customer, Dallas may use streets, alleys and public rights-of-way within Customer's boundaries for the purposes detailed in this Agreement to provide retail water and wastewater service to Customer or to other customers without charges or tolls, provided that Dallas makes the necessary repairs to restore the streets, alleys or public rights-of-way used to their original condition. Such use and repairs shall be pursuant to the terms and conditions of the conveyance or license Customer duly grants for such purposes. Dallas agrees that, with prior written approval of Dallas, Customer may use streets, alleys and public rights-of-way within Dallas' boundaries for the purposes detailed in this Agreement to provide retail water and wastewater service to Customer or to other customers without charges or tolls, provided that Customer makes the necessary repairs to restore the streets, alleys or public rights-of-way used to their original condition. Such use and repairs shall be pursuant to the terms and conditions of a license duly granted by the Dallas City Council.

F. If at any time the city requesting service under this Agreement shall construct a main capable of providing water and /or wastewater service to any customer being served under the terms of this Agreement, then upon request, the city so providing the service shall terminate same, reserving the right to remove its meters and materials from the

property previously services; provided, the customer shall have a reasonable time, not to exceed one month, to connect to the new service.

G. In the cases where a customer receives water service from one city and wastewater service from the other, the city furnishing water service will provide the other city with monthly meter readings and water consumption information on such customers and will permit appropriate employees of the city furnishing wastewater service to read and examine the meters serving such customers to determine the accuracy of readings so furnished and to permit appropriate employees of the city furnishing wastewater service to examine water consumption records of such customers, provided that no meter shall be removed or adjusted except by the city furnishing water service.

5. CLAIMS OF LIABILITY

It is further mutually agreed by Dallas and Customer that insofar as the services contemplated hereunder are performed by either city within the jurisdiction of the other city and to that extent only, Dallas and Customer hereby mutually agree, to the extent permitted by law, that they will release, hold harmless and defend the other city from all claims of liability which result from damage to property (real or personal) or persons arising directly or indirectly from the performance of the services provided for under this Agreement.

6. TERMINATION OR MODIFICATION

This Agreement is to remain in force for the term of the Contract to which it is attached.

EXHIBIT F

RECIPROCAL WATER AND/OR WASTEWATER SERVICE CONNECTIONS

Future Connections: Should additional connections be agreed upon in the future, this Exhibit F will be revised to recognize these facilities. Revisions to this Exhibit F in order to add, delete, or modify connections can be authorized by the DWU Director and do not require Dallas City Council approval.