



**CITY OF BRADY COUNCIL AGENDA
REGULAR CITY COUNCIL MEETING
OCTOBER 3, 2023 AT 5:00 PM**

NOTICE is hereby given of a meeting of the City Council of City of Brady, McCulloch County, State of Texas, to be held at **5:00 p.m. October 3, 2023**, at the City of Brady Municipal Court Building located 207 S. Elm St., Brady, Texas, for the purpose of considering the following items. The City Council of the City of Brady, Texas, reserves the right to meet in closed session on any of the items listed below should the need arise and if applicable pursuant to authorization by Title 5, Chapter 551, of the Texas Government Code.

Aaron Garcia
Mayor

Larry Land
Council Member Place 1

Missi Elliston
Mayor Pro Tem
Council Member Place 2

Jeffrey Sutton
Council Member Place 3

Felix Gomez, Jr.
Council Member Place 4

Gabe Moreno
Council Member Place 5

Erin Corbell
City Manager

Tina Keys
City Secretary

Sharon Hicks
City Attorney

MISSION

The City of Brady strives to share its history and encourage the development of diverse housing, employment, infrastructure, and opportunity through transparent management and financing for all residents and employees.

1. CALL TO ORDER, ROLL CALL & CERTIFICATION OF A QUORUM

2. INVOCATION & PLEDGE OF ALLEGIANCE

3. PUBLIC COMMENTS: Reserved for items NOT listed on the agenda

Please limit individual public comments to three (3) minutes. In accordance with TX AG opinion, any public comment addressing items not on the agenda, will only be heard by the City Council. No formal action, deliberation, discussion, or comment will be made by City Council. State Law prohibits any deliberation or decisions regarding items presented in public comments. City Council may only make a statement of specific factual information given in response to the inquiry; recite an existing policy; or request staff to place the item on an agenda for a subsequent meeting.

4. CONSENT AGENDA: Reserved for routine items to save time

Any item may be removed from the Consent Agenda at the request of a Council Member and considered separately following the Consent Agenda approval. All items listed on the Consent Agenda are to be with one motion "Move to approve Consent Agenda."

- A. Approval of Minutes for Regular and Work Session Meetings on September 19, 2023

5. PRESENTATIONS

- Domestic Violence Awareness proclamation

6. PUBLIC HEARING:

None

7. INDIVIDUAL CONCERNS

City Council Members are to deliberate the following items. Staff will present the item and are prepared to answer City Council Member questions. The Mayor will recognize Council Members as the council discuss the item so everyone is heard. Once the City Council Members finish discussion, the Mayor will recognize attendees who have comments. Attendees and council members need to direct comments to the Mayor as they are recognized. When all comments are complete, the Mayor will call for a motion.

- A. Discussion, consideration and possible action on authorizing the city manager to enter into agreements with Utility Services Co., Inc. of Perry, Georgia for ten (10) year tank maintenance contract as identified in FY2024 Budget Operations & Maintenance for Fund 30 Division 31 or Water Distribution.
- B. Discussion regarding concerns about drug issues in Brady as requested by Angie Turner

8. STAFF REPORTS

A. Upcoming Special Events/Meetings:

October 9	Columbus Day Holiday, City Offices closed, altered trash schedule
October 17	City Council Work Session – 5:00 p.m.
October 17	Regular City Council Meeting – 6:00 p.m.
November 7	Regular City Council Meeting – 6:00 p.m.
November 10	Veteran’s Day Holiday, City offices closed, altered trash schedule
November 21	Regular City Council Meeting – 6:00 p.m.
November 23	HAPPY BIRTHDAY JEFFREY SUTTON
November 23-24	Thanksgiving Holiday, City Offices closed, altered trash schedule

9. ANNOUNCEMENTS

Pursuant to the Texas Government Code § 551.0415, City Council Members and City staff may make reports about items of community interest during a meeting of the governing body without having given notice of the report. Items of community interest include: Expressions of thanks, congratulations, or condolence; an honorary or salutary recognition of a public official, public employee, or other citizen, except that a discussion regarding a change in the status of a person’s public office or public employment is not an honorary or salutary recognition for purposes of this subdivision; Information regarding a social, ceremonial, or community event organized or sponsored by an entity other than the governing body that was attended or is scheduled to be attended by a member of the governing body or an official or employee of the municipality; and announcements involving an imminent threat to public health and safety of people in the municipality that has arisen after the posting of the agenda.

10. EXECUTIVE SESSION

The City Council of the City of Brady will adjourn into Executive Session for the following:

- Pursuant to Section 551.071 (Consultation with Attorney), the City Council will consult with the City Attorney about pending or contemplated litigation or on a matter in which the duty of the attorney to the City under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the Texas Open Meetings Act:

11. OPEN SESSION ACTION ON ANY ITEMS COMING OUT OF EXECUTIVE SESSION

Discussion, consideration or possible action as a result of Executive Session, if any

12. ADJOURNMENT

I certify that this is a true and correct copy of the City of Brady City Council Meeting Agenda and that this notice as posted on the designated bulletin board at Brady City Hall, 201 E. Main St., Brady, Texas 76825; a place convenient and readily accessible to the public at all times, and said notice was posted on _____ by 6:00 p.m. and will remain posted continuously for 72 hours prior to the scheduled meeting pursuant to Chapter 551 of the Texas Government Code.

 Tina Keys, City Secretary

In compliance with the American with Disabilities Act, the City of Brady will provide for reasonable accommodations for persons attending public meetings at City facilities. Requests for accommodations or interpretive services must be received at least 48 hours prior to the meeting. Please contact the City Secretary at 325-597-2152 or tkeys@bradytx.us

Attendance by Other Elected or Appointed Officials: It is anticipated that members of other governmental bodies, and/or city boards, commissions and/or committees may attend the meeting in numbers that may constitute a quorum of the body, board, commission and/or committee. The members of the boards, commissions and/or committees may be permitted to participate in discussion on the same items listed on the agenda, which occur at the meeting, but no action will be taken by such in attendance unless item and action is specifically provided for on an agenda for that body, board, commission or committee subject to the Texas Open Meetings Act.

The City Council of the City of Brady reserves the right to adjourn into Executive Session at any time during the course of this meeting to discuss any of the matters listed on this agenda as authorized by the Texas Government Code Sections 551.071 (Consultation with Attorney), 551.072 (Deliberations regarding Real Property), 551.073 (Deliberations regarding prospective Gifts or Donations), 551.074 (Personnel Matters), 551.076 (Deliberations regarding Security Devices), 551.086 (Deliberate, vote or take final action on competitive matters of the public power utility), and 551.087 (Deliberation regarding Economic Development).

This agenda has been reviewed and approved by the City's legal counsel and the presence of any subject in any Executive Session portion of the agenda constitutes written interpretation of the Texas Government Code Chapter 551 by legal counsel for the governmental body and constitutes an opinion by the attorney that the items discussed therein may be legally discussed in the closed portion of the meeting considering available opinions of a court of record and opinions of the Texas Attorney General known to the attorney. This provision has been added to this agenda with the intent to meet all elements necessary to satisfy Texas Government Code Chapter 551.104(c) and the meeting is conducted by all participants in reliance on this opinion.

STATE OF TEXAS

COUNTY OF McCULLOCH

CITY OF BRADY

The City Council of the City of Brady, Texas met in a Work Session Meeting on Tuesday September 19, 2023 at 5:00 p.m. with Mayor Aaron Garcia presiding. Council Members present were Missi Elliston, Larry Land, Gabe Moreno, Felix Gomez, Jr. and Jeffrey Sutton. City staff present were City Manager Erin Corbell, Finance Director Lisa McElrath, Public Works Director Steven Miller, Electric Superintendent Joe Solis, City Attorney Sharon Hicks and City Secretary Tina Keys. Also in attendance was Lynn Farris and Garron Salter.

1. CALL TO ORDER, ROLL CALL & CERTIFICATION OF A QUORUM

Mayor Garcia called the meeting to order at 5:05 p.m. Council quorum was certified.

2. PUBLIC COMMENTS

There were no public comments

3. INDIVIDUAL CONCERNS

- A. Discussion with Electric Division Superintendent Joe Solis – Joe Solis said they are trying to keep the system going. We improved our system a lot, but it still needs a lot of repairs. There are 3,000 poles and approximately 80 miles in the system. We still have approximately 30 miles of copper. Our goal is to pull all of the copper out. Mayor Garcia asked what we are replacing it with. Joe said ACSR. We're going with a bigger conductor. It will be there for years and years after we replace it. Joe said when copper heats up, it sags really bad. Council Member Elliston asked if we're in pretty good shape after this heat this year. Joe said it has been really good. We do have a transformer that is leaking oil. Erin Corbell said this is the one that was just rebuilt. Council Member Sutton asked if there is a warranty. Joe said we did have a warranty, but it has expired. Joe said there is still a 20 year life on the system. They have placed a Soloman who rebuilt it, but we haven't heard back from them. It has been over a week. Council Member Moreno asked if we can switch over to south substation. Joe said yes. Council Member Elliston asked how long the south station could carry the city. Joe said we need 64 megawatts; south station is using 9 right now. 60% of our load comes from the north station. We have the hospital and airport feed, it has quite a bit more load. Joe said yes, the south substation could handle the whole city. Council Member Elliston asked if we can do any of the repairs in house. Joe said no. Joe said it is no longer feasible to own our own substation. ERCOT has come down with so many regulations. We would have to have a transmission operator. Erin said the substations would have to be moved. Council Member Sutton asked if we could still expect to get the same price as we were thinking before the leak. Joe said probably not. Joe said a rough guess would be \$10,000-\$15,000 for the repairs. Council Member Elliston asked about digger and bucket truck. Erin said the digger has already been budgeted for. Joe said it will be a year to a year and a half to get it. Joe said we need to start looking at a new bucket truck in the next few years. Joe said we still need a first-class lineman. Council Member Elliston asked why we are not getting them. Joe said contractors are where the money is. They're paying \$40 - \$50 per hour plus per diem. Council Member Elliston asked if we have anybody on staff that could get that certification. Joe said we might be able to. Council Member Moreno said a lot of the electricians working on the waste water plant are journeymen. Joe said there is a big difference between an electrician and a lineman. Council Member Elliston asked if we have any employees that we could train. Joe said the potential is there. Erin said it's a \$10,000 investment. Council Member Land asked what are we going to do to hand this over to LCRA. Erin said we allocated money to help identify our assets. We would accept bids on it. If LCRA is the preferable bid, it would not need to go back to voters, but Council Member Elliston did want it to go back to voters. Council Member Land asked why we would go to anybody else other than LCRA. Erin said it would

depend on a lot. Steven Miller emphasized there is no way we can take on TO services. It's just not feasible. We have been regulated out of this business. Council Member Elliston said she wants to make sure the citizens understand what we're doing and why we're doing it. Council Member Land said in general, LCRA is a great company.

- B. Discussion regarding City Manager update: Fire Station / Police Station / Substations / Gas Division – Erin Corbell said the bid opening for the police station has been delayed. The design work is at 100% completion. As for the fire station build and remodel timeline, we are waiting for a survey on the property at the north end of this block and anticipate 100% completion of design by the end of this year. Erin said they are estimating \$2 million for police and 4 million for Fire. Council Member Moreno asked Lisa McElrath if this is something feasible. Lisa said yes. We can fund by cash or debt or a combination. Council Member Moreno said he would like to put this on the ballot also. Mayor Garcia asked how would we put that on the ballot. Council Member Moreno said we would put the estimated cost and what it would take to pay it. Council Member Elliston said we would have to educate the public. Council Member Moreno said if the citizens support it, he would support it. Mayor Garcia said we would have to justify the \$6 million. Council Member Elliston asked if we got comparisons. Erin Corbell said yes, and said remodel is cheaper than new construction. Mayor Garcia asked if we have spoken with others that have built fire stations. Erin said she can ask. Mayor Garcia said the Horizon FD built one for 2 million. Sterling City built one for \$600,000. Council Member Moreno said we could put both departments into one. Council Member Elliston said she would support that. Council Member Elliston said she knows we talked about putting the county payments into that funds for the fire department. Lisa said we would have to transfer more money from the electric division to support general fund. Council Member Elliston said she would like it on an agenda. Mayor Garcia said we could do that. Erin estimated 24 months for completion if we don't make any changes. Council Member Land said the sale of city-owned properties gives us a little over \$4 million. It was already set with previous council to get started on it. Council Member Land said these facilities need to be built for the future of our city. Mayor Garcia asked how long are we going to continue to overspend? Council Member Elliston said we get a council who has taken a step and then a new council comes in and want to go in a totally different direction, so the wheels just keep spinning. Mayor Garcia said we need to move quicker than we are. Erin said she delayed the bid opening so we could have this workshop and have this discussion. Council Member Moreno asked how much will it cost if we change it. Erin said likely \$100,000. Council Member Moreno said if we save \$2 million, it could be worth it. Sharon Hicks said it is not uncommon for a bid document to be deficient. But if there was a huge deficiency, we can address that. Mayor Garcia said we need to get some things done. We can't keep pushing everything down the road. Council Member Elliston said we need to have better meetings. Council needs to be willing to have a weekly workshop. Council Member Gomez said the healthcare deal, we had a 5 minute presentation then wanted council to vote. We ended up saving money. Council Member Moreno said he would like to see how much we can save. Erin said we can get an estimate, but we won't know for sure until it goes out to bid. Council Member Sutton said we went over several ideas before we came up with this. These plans came with estimates. Erin said she would see if we could get some kind of cost estimate to combine facilities. Council Member Land said he would like to get the bids on the police department and go from there. Council Member Elliston said costs are continuing to go up.

Mayor Garcia said he would like to have deadlines for these projects. Erin said the budget hasn't been officially approved, but we can move forward with the consultant for the sale of the substations after it has been approved. Council Member Sutton asked if we can add G. Rollie White to an agenda. Erin said she will have to know how often council wants to meet. Council Member Moreno said meeting at 5:00 before a meeting works for him. Council Members Land and Elliston agreed. Erin said we can start with that and add workshops as needed. Council Member Moreno asked for the weekly update to continue.

4. ADJOURNMENT

There being no further business, Mayor Garcia adjourned the meeting at 6:39 p.m.

Aaron Garcia, Mayor

Attest: _____
Tina Keys, City Secretary

STATE OF TEXAS

COUNTY OF McCULLOCH

CITY OF BRADY

The City Council of the City of Brady, Texas met in a Regular Meeting on Tuesday September 19, 2023 at 6:00 p.m. with Mayor Aaron Garcia presiding. Council Members present were Missi Elliston, Larry Land, Gabe Moreno, Felix Gomez, Jr. and Jeffrey Sutton. City staff present were City Manager Erin Corbell, Public Works Director Steven Miller, Finance Director Lisa McElrath, Police Chief Randy Batten, City Attorney Sharon Hicks and City Secretary Tina Keys. Also in attendance was Charles Bush.

1. CALL TO ORDER, ROLL CALL & CERTIFICATION OF A QUORUM

Mayor Garcia called the meeting to order at 6:49 p.m. Council quorum was certified.

2. INVOCATION AND PLEDGE OF ALLEGIANCE

Council Member Land gave the invocation, and the Pledge of Allegiance was recited

3. PUBLIC COMMENTS

There were no public comments.

4. CONSENT AGENDA

- A. Approval of Minutes for Regular Meeting on September 5, 2023
- B. National Night Out street closure request for College St. between 9th and 10th as requested by Lisa Berglund.
- C. St. Patrick's Fall Festival street closure on October 1, 2023 from 9:00 a.m. to 3:00 p.m. as requested by Ingred McDonald

Council Member Elliston moved to approve the Consent Agenda. Seconded by Council Member Gomez. All Council Members voted "aye" and none "nay". Motion passed with a 5 – 0 vote.

5. PRESENTATIONS:

There were no presentations

6. PUBLIC HEARINGS AND INDIVIDUAL CONCERNS ON PUBLIC HEARING

There were no public hearings.

7. INDIVIDUAL CONCERNS

- A. Discussion, consideration and possible action regarding the **second and final reading of Ordinance 1364** of the City of Brady, Texas, to adopt the FY 2024 Budget. Lisa McElrath presented. Council Member Elliston moved to approve the second and final reading of Ordinance 1364. Seconded by Council Member Moreno
 - a. By a roll call vote:
 - b. Larry Land - For
 - c. Missi Elliston - For
 - d. Jeffrey Sutton - For
 - e. Felix Gomez Jr. - For
 - f. Gabe Moreno - For
 - g. All Council Members voted "aye" and none "nay". Motion passed with a 5 – 0 vote.

- B. Discussion, consideration and possible action regarding the **second and final reading of Ordinance 1365** of the City of Brady, Texas, to adopt the 2023 Property Tax Rate. Lisa McElrath presented. Council Member Sutton moved to approve the second and final reading of Ordinance 1365. Seconded by Council Member Moreno
 - a. By a roll call vote:
 - b. Larry Land - For
 - c. Missi Elliston - For
 - d. Jeffrey Sutton - For
 - e. Felix Gomez Jr. - For
 - f. Gabe Moreno – For
 - g. All Council Members voted “aye” and none “nay”. Motion passed with a 5 – 0 vote.
- C. Discussion, consideration and possible action regarding the **second and final reading of Ordinance 1366** of the City of Brady, Texas adopting the Utility Rates and Fee Schedule for City Services. Erin Corbell presented. Council Member Elliston moved to approve the second and final reading of Ordinance 1366. Seconded by Council Member Sutton. All Council Members voted “aye” and none “nay”. Motion passed with a 5 – 0 vote.
- D. REMOVE FROM THE TABLE: Council Member Elliston moved to remove from the table. Seconded by Council Member Sutton. All Council Members voted “aye” and none “nay”. Motion passed with a 5 – 0 vote.

Discussion, consideration and possible action approving Resolution 2023-011 authorizing the creation of an employee benefits trust. Sharon Hicks presented. Council Member Land moved to approve Resolution 2023-011 authorizing the creation of an employee benefits trust. Seconded by Council Member Sutton. All Council Members voted “aye” and none “nay”. Motion passed with a 5 – 0 vote.

8. STAFF REPORTS

A. Monthly Financial / Utility Reports

B. Monthly Activity Reports: Seniors, Golf, BPD, Fire-EMS Calls, BVFD Expense Report, Animal Control, Airport, Code Enforcement, Municipal Court

C. Upcoming Special Events/Meetings:

September 20	HAPPY BIRTHDAY GABE MORENO
October 3	Regular City Council Meeting, 5:00
October 3	National Night Out
October 4 – 6	TML Conference, Dallas – Early Registration Ends August 24 th
October 9	Columbus Day Holiday, City offices closed, altered trash schedule
November 7	Regular City Council Meeting, 6:00
November 10	Veteran’s Day Holiday, City offices closed, altered trash schedule
November 21	Regular City Council Meeting, 6:00
November 23	HAPPY BIRTHDAY JEFFREY SUTTON
Nov. 23, 24	Thanksgiving Holiday, City offices closed, altered trash schedule

9. ANNOUNCEMENTS

There were no announcements

10. EXECUTIVE SESSION

The City Council of the City of Brady adjourned into Executive Session for the following:

- Pursuant to Section 551.071 (Consultation with Attorney), the City Council will consult with the City Attorney about pending or contemplated litigation or on a matter in which the duty of the attorney to the City under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the Texas Open Meetings Act:
- Pursuant to Section 551.074 (Personnel Matters) City Council will meet to deliberate the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee: City Manager

Regular session was recessed at 7:11 p.m. Executive Session was opened at 7:11 p.m. and closed at 9:39 p.m.

11. OPEN SESSION ACTION ON ANY ITEMS COMING OUT OF EXECUTIVE SESSION

No action was a taken as a result of Executive Session

12. ADJOURNMENT

There being no further business, Mayor Garcia adjourned the meeting at 9:40 p.m.

Aaron Garcia, Mayor

Attest: _____
Tina Keys, City Secretary



Proclamation

National Domestic Violence Awareness month

WHEREAS, the crime of domestic violence claimed the lives of many women in the state of Texas during the year 2022; and

WHEREAS, domestic violence is a continuing problem affecting the lives not only of many of our community's women, but our men and children as well; and

WHEREAS, the domestic violence victim's privacy, dignity, security, and humanity are violated by the abuser's use of physical, emotional, psychological, sexual, and economic control or abuse; and

WHEREAS, the crime of domestic violence is not the personal problem of any one individual, or group of individuals, but crosses all economic, racial, and social barriers; and

WHEREAS, domestic violence creates cycles of abuse and poverty with wide-ranging individual and societal effects; and

WHEREAS; the crime of domestic violence thrives in an environment of societal indifference.

NOW, THEREFORE I, Aaron Garcia, Mayor of the City of Brady Texas, in recognition of the important work done by The Haven Family Shelter and other violence programs, do hereby proclaim the month of **October 2023**, as:

NATIONAL DOMESTIC VIOLENCE AWARENESS MONTH

in this city and ask that all citizens of this community join with The Haven Family Shelter of McCulloch County, Inc. in working to eliminate domestic violence so that every home in Brady, Texas is a safe home.

IN WITNESS WHEREOF, I have set my hand and caused the Seal of the City to be affixed this 3rd day of October in the year 2023.

Aaron Garcia, Mayor

City Council

City of Brady, Texas

Agenda Action Form

AGENDA DATE:	10/03/2023	AGENDA ITEM	7.A.									
AGENDA SUBJECT:	Discussion, consideration, and possible action on authorizing city manager to enter into agreements with Utility Services Co., Inc. of Perry, Georgia for ten (10) year tank maintenance contract as identified in FY2024 Budget Operations & Maintenance for Fund 30 Division 31 or Water Distribution.											
PREPARED BY:	S.Miller	Date Submitted	09/27/2023									
EXHIBITS:	Scope of Work (SOW) Agreements – water tanks Master Service Agreement Tank Price Proposal Schedule (USCo.,Inc.)											
BUDGETARY IMPACT:	Required Expenditure:	114,147.00										
	Amount Budgeted:	114,200.00										
	Appropriation Required:	0.00										
CITY MANAGER APPROVAL:												
SUMMARY:	<p>City staff presented to the city council in February 2023 results of selection of preferred tank maintenance contractor concerning required annual inspections and reporting per TCEQ rules & regulations for public potable water storage tanks. Three (3) sealed competitive proposals were received as tabulated in table below.</p> <table border="1" style="margin-left: 40px; border-collapse: collapse;"> <tr> <td>UTILITY SERVICES CO., INC</td> <td style="text-align: right;">\$1,141,466</td> <td style="text-align: center;">1</td> </tr> <tr> <td>VIKING INDUSTRIAL PAINTING</td> <td style="text-align: right;">\$1,248,560</td> <td style="text-align: center;">2</td> </tr> <tr> <td>D&M TANK, LLC</td> <td style="text-align: right;">\$1,622,255</td> <td style="text-align: center;">3</td> </tr> </table> <p>City staff entered into pre-award discussions with Utility Services Co., Inc. for proposed service contracts for thirteen (13) tanks and master service agreement with Utility Service Co., Inc., which coincidentally, is the same service provider currently providing annual tank maintenance services. Through several months of reviews, comments and clarifications on the proposed documents, city staff and Utility Service Co, Inc. has duly compiled and submitted thirteen (13) service contracts and a master service agreement meeting the intent of the original request for competitive proposals received earlier this year. City staff recommends award of this ten (10) year tank maintenance contract to Utility Service Co, Inc., Perry, Georgia for an annual fiscal year expenditure of \$114,147.00 and invoicing will be on a quarterly basis.</p>			UTILITY SERVICES CO., INC	\$1,141,466	1	VIKING INDUSTRIAL PAINTING	\$1,248,560	2	D&M TANK, LLC	\$1,622,255	3
UTILITY SERVICES CO., INC	\$1,141,466	1										
VIKING INDUSTRIAL PAINTING	\$1,248,560	2										
D&M TANK, LLC	\$1,622,255	3										
RECOMMENDED ACTION:												
Mayor:	Do I Have a Motion to Authorize City Manager to Execute Thirteen (13) - Service Contracts and Master Service Agreement with Utility Service Co., Inc., Perry, Georgia in an annual amount of \$114,147.00 for establishing a ten (10) year tank maintenance service agreement?											

SCOPE OF WORK NO. 1
TO THE MASTER SERVICES AGREEMENT BETWEEN
UTILITY SERVICE CO., INC.
AND
CITY OF BRADY, TX

CONTRACT FOR SERVICES – 500,000 GALLON PEDISPHERE - FM2028 PED TANK

1. **Effective Date.** The Effective Date for this Scope of Work No.1 (“SOW1”) shall be _____, 20____ .
2. **Term.** The Owner agrees to engage the Company to provide the professional service needed to maintain its 500,000 gallon water storage tank located at 3630 W. 17th Street, Brady, TX 76825 (hereinafter “tank”). This SOW1 shall commence on the Effective Date and shall continue in full force and effect for one year. This SOW1 will automatically renew for nine (9) successive one-year term unless terminated as defined in Section 10 herein. For purposes of this SOW1, “Contract Year” shall mean the 12-month period which commences on the first day of the month when the SOW1 is executed by the Owner and each successive 12-month period thereafter (hereinafter, “Contract Year” or collectively, “Contract Years”).
3. **Company’s Engagement and Responsibilities.** The services (collectively, “the Services”) that the Company will provide include the following:
 - a. The Company will visually inspect the Tank in Contract Years 1,2,3,5,6,7,9 and 10. The Tank will be inspected to ensure that the structure is in a sound, watertight condition. The Company will provide a written inspection report to the Owner following each inspection. **A PDF format report will also be delivered to gjacobson@bradytx.us.**
 - b. In Contract Years 4 and 8 after the Tank is drained by the Owner, the Company will clean the interior of the Tank and perform a condition assessment on the Tank (hereinafter “Washout Inspection”). During each Washout Inspection, the Tank will be cleaned to remove all mud, silt, and other accumulations from the interior of the Tank. After a Washout Inspection is completed, the interior of the Tank will be thoroughly inspected and disinfected prior to returning the Tank to service; however, the Owner is responsible for draining and filling the Tank and conducting any required testing of the water before returning the Tank to service.
 - c. **Chemical Clean Service.**
 1. During the washout/inspections, the Company will apply an NSF 60 approved chemical cleaning agent to the interior walls and floor surfaces of the Tank to treat mineral build-up and bio-film that form on the interior tank surfaces.
 - d. The Company will provide roof vent/overflow pipe screen and hatch gasket repairs when needed during the term of this SOW1.
 - e. When the Tank is taken out of service, the Company will furnish pressure relief valves, if requested by the Owner, so that the Owner can install the valves in its water system while the Tank is being serviced.

The Owner assumes all risk and liability for the installation and use of the pressure relief valves.

f. The Company will furnish the Owner with current certificates of insurance, which will summarize the Company's insurance coverage.

4. **Price/Annual Fees.** For the performance of the Services required by Section 3, the Owner shall pay the Company an Annual Fee (hereinafter, "Annual Fee") for each Contract Year of the SOW1. The ten **(10)** Annual Fees shall be **\$2,363.00** per Contract Year. All applicable taxes are the responsibility of the Owner and are in addition to the stated costs and fees in this SOW1. Please see Exhibit A – Projected Schedule of Work and Fees for further detail.
5. **Payment Terms.** The Annual Fee for Contract Year 1, plus all applicable taxes, shall be due and payable **within ninety (90) days of the Owner's execution of the SOW1. Each subsequent Annual Fee, plus all applicable taxes, shall be due and payable on the first day of each Contract Year thereafter. Invoicing will be billed on a quarterly schedule.** If the Annual Fee, plus all applicable taxes, are not paid within ninety (90) days of the date of invoice, the Company may charge the Owner a late fee on unpaid balances and may also terminate or suspend Services under this SOW1 without notice. The late fee will be 1.5% per month. Furthermore, if the Owner elects to terminate this contract prior to remitting the ten (10) annual fees, the balance for work completed as defined in the attached Exhibit B – Cancellation Fee Schedule, shall be due and payable within thirty (30) days of the Company's receipt of the Owner's Notice to Terminate.
6. **Changes or Delays to Services.** For purposes of this Section 6, "**Unreasonable Delay**" shall mean the Owner's delay in releasing the Tank or making the Tank available to the Company for the performance of any of the Services described herein for a period of **twenty-four (24) months following the Company's written request for release or access to the Tank.** In the event of Unreasonable Delay, the Company reserves the right to recover its reasonable costs related to the Unreasonable Delay, and the Owner agrees to negotiate with the Company in good faith to determine the amount of its reasonable costs caused by such Unreasonable Delay. Furthermore, the Owner hereby agrees that the parties can mutually verbally agree to replace a Washout Inspection of the Tank with a visual inspection, remotely operated vehicle inspection ("ROV Inspection"), or unmanned aerial vehicle inspection ("UAV Inspection") without requiring the modification of this SOW1.
7. **Structure of Tank and Tank Site Conditions.** The Company is accepting this Tank to maintain pursuant to the requirements of this SOW1 based upon its existing structure and components as of the Effective Date (defined hereinafter). **Any modifications to the Tank, including antenna installations, shall be approved by the Company, prior to installation and may warrant an increase in the Annual Fees.** In addition, changes in the condition of the Tank Site and/or any adjoining properties (e.g., construction of a mall next to the Tank Site which significantly increases the risk of overspray claims, etc.) following the Effective Date, which cause an increase in the cost of the maintenance of the Tank, will be just cause for an equitable adjustment of the Annual Fees in this SOW1.
8. **Environmental, Health, Safety, Labor, or Industry Requirements.** The Owner hereby agrees that the promulgation of, enactment of, or modification to any environmental, health, safety, or labor laws, regulations, orders, or ordinances (e.g., EPA or OSHA regulations or standards) following the Effective Date of this SOW1, which

cause an increase in the cost of the maintenance of the Tank, will be just cause for an equitable adjustment of the Annual Fees in this SOW1. Furthermore, modifications to industry requirement(s) including, but not limited to, standard(s) or other guidance documents issued by the American Water Works Association, National Sanitary Foundation, and the Association for Materials Protection and Performance, which cause an increase in the cost of the maintenance of the Tank, will be just cause for an equitable adjustment of the Annual Fees in this SOW1. Said equitable adjustment of the Annual Fees in this SOW1 will reasonably reflect the increased cost of the Services with newly negotiated Annual Fee(s).

The Parties agree that the Company's Annual Fees are based on the Owner's representation that the work to be performed under this SOW1 are not subject to prevailing wage requirements. The Owner agrees to notify the Company immediately, if the Company's work is (or will become) subject to prevailing wage requirements, so that the Company may submit revised amounts for Annual Fees.

9. **Excluded Items.** This SOW1 does NOT include the cost for and/or liability on the part of the Company for: (i) containment of the Tank at any time during the term of the SOW1; (ii) disposal of any hazardous waste materials; (iii) resolution of operational problems or structural damage due to cold weather; (iv) repair of structural damage due to antenna installations or other attachments for which the Tank was not originally designed; (v) resolution of operational problems or repair of structural damage or site damage caused by physical conditions below the surface of the ground; (vi) negligent acts of Owner's employees, agents or contractors; (vii) damages, whether foreseen or unforeseen, caused by the Owner's use of pressure relief valves; (viii) repairs to the foundation of the Tank; (ix) any latent defects or inaccessible areas of the Tank or its components (including, but not limited to, (a) corrosion from the underside of the floor plates, and (b) inaccessible areas of the Tank such as the area between the bottom of the roof plate and the top of the roof rafter); (x) the maintenance, repair or replacement of any electrical components (to include any lighting, such as aviation lights); (xi) the maintenance, repair or replacement of fill lines, insulation, and/or frost jackets; (xii) the maintenance, repair, or replacement of piping of any kind below ground level; and (xiii) other conditions which are beyond the Owner's and Company's control, including, but not limited to: acts of God and acts of terrorism. Acts of God include, but are not limited to, any damage to the Tank or Tank Site which is caused by seismic activity, hurricanes, and/or tornadoes. Acts of terrorism include, but are not limited to, any damage to the Tank or Tank Site which results from an unauthorized entry of any kind to the Tank or Tank Site.
10. **Termination.** This SOW1 is an annual contract that shall automatically renew on an annual basis for nine (9) successive Contract Years so long as: (i) the Owner pays each Annual Fee to the Company in accordance with the terms herein and (ii) does not terminate the SOW1 pursuant to the terms of this Section. This SOW1 is subject to termination by the Owner only at the end of the then-current Contract Year if written notice of intent to terminate is received by the Company at least ninety (90) days prior to the first day of the upcoming Contract Year. If the notice of intent to terminate is not received at least ninety (90) days prior to the first day of the upcoming Contract Year, this SOW1 shall renew for an additional Contract Year and expire at the end of the upcoming Contract Year. In such an event, the Owner agrees that it shall be responsible to pay the Annual Fee for the upcoming Contract Year. The notice of intent to terminate must be sent by certified mail, with return receipt requested, to Utility Service Co., Inc., Attention:

Customer Service, Post Office Box 1350, Perry, Georgia 31069, and signed by three (3) authorized voting officials of the Owner's governing body (e.g., commission or council). Notice of intent to terminate cannot be delivered electronically or verbally (e.g., email, text, phone call, etc.). The Owner acknowledges and agrees that the Company has advanced Services to the Owner, and the Company has not received full payment for the Services previously performed. Therefore, if the Owner elects to terminate this SOW1 prior to remitting the ten (10) Annual Fees, then the unpaid balance of the first ten (10) Annual Fees for services rendered shall be due and payable within thirty (30) days of the Owner's issuance of the notice of intent to terminate at the end of the then-current Contract Year.

11. **Excessive Inflation.** In the event that the aggregate of the Annual Inflation Rates (defined hereinbelow) established for two (2) consecutive calendar years during the term of this SOW1 exceeds 8% in total, the Owner and the Company agree to renegotiate the Annual Fees and increase the Annual Fees throughout the remaining term of this SOW1 to compensate the Company for the excessive inflation. For purposes of this provision, the Annual Inflation Rate for each calendar year shall be established by the *Engineering News Report – Construction Cost Index (“ENR-CCI”)*. Company will provide Owner with data from the ENR-CCI at the time of renegotiation. In the event that the ENR-CCI index is discontinued, the Owner and the Company will negotiate and agree to an alternative index or methodology to address the excessive inflation. For illustrative purposes, if a SOW is executed in 2022, the first equitable adjustment could not be made until both the 2023 inflation rate and the 2024 inflation rate have been established. If the annual inflation rates for 2023 and 2024 are 5.0% and 3.1%, respectively, the Owner and the Company agree to renegotiate the current year's Annual Fee as well as the remaining Annual Fees for the remainder of the term of the SOW to address the excessive inflation.

The SOW1 is executed and effective as of the date last signed by the parties below.

OWNER

City of Brady

By: _____

Name: _____

Title: _____

Date: _____

COMPANY

Utility Service Co., Inc.

By: _____

Name: Jonathan Cato

Title: Chief Operating Officer

Date: September 28, 2023

EXHIBIT A

Projected Schedule of Work and Fees

Fee Schedule				
FY2024	FY2025	FY2026	FY2027	FY2028
VISUAL	VISUAL	VISUAL	CHEMICAL CLEAN/WASHOUT	VISUAL
\$ 2,363	\$ 2,363	\$ 2,363	\$ 2,363	\$ 2,363
FY2029	FY2030	FY2031	FY2032	FY2033
VISUAL	VISUAL	CHEMICAL CLEAN/WASHOUT	VISUAL	VISUAL
\$ 2,363	\$ 2,363	\$ 2,363	\$ 2,363	\$ 2,363

EXHIBIT B

Cancellation Fee Schedule

Year	1	2	3	4	5
FM2028 EST	\$0	\$0	\$0	\$0	\$0

Year	6	7	8	9	10
FM2028 EST	\$0	\$0	\$885	\$409	\$0

SCOPE OF WORK NO. 2
TO THE MASTER SERVICES AGREEMENT BETWEEN
UTILITY SERVICE CO., INC.
AND
CITY OF BRADY, TX

CONTRACT FOR SERVICES– 100,000 GALLON PEDISPHERE - AIRPORT PED TANK

1. **Effective Date.** The Effective Date for this Scope of Work No.2 (“SOW2”) shall be _____, 20____ .
2. **Term.** The Owner agrees to engage the Company to provide the professional service needed to maintain its 100,000 gallon water storage tank located at 3811 Bridge Street, Brady, TX 76825 (hereinafter “tank”). This SOW2 shall commence on the Effective Date and shall continue in full force and effect for one year. This SOW2 will automatically renew for nine (9) successive one-year term unless terminated as defined in Section 10 herein. For purposes of this SOW2, “Contract Year” shall mean the 12-month period which commences on the first day of the month when the SOW2 is executed by the Owner and each successive 12-month period thereafter (hereinafter, “Contract Year” or collectively, “Contract Years”).
3. **Company’s Engagement and Responsibilities.** The services (collectively, “the Services”) that the Company will provide include the following:
 - a. The Company will visually inspect the Tank in Contract Years 1,2,3,5,6,7,9 and 10. The Tank will be inspected to ensure that the structure is in a sound, watertight condition. The Company will provide a written inspection report to the Owner following each inspection. **A PDF format report will also be delivered to gjacobson@bradytx.us.**
 - b. In Contract Years 4 and 8 after the Tank is drained by the Owner, the Company will clean the interior of the Tank and perform a condition assessment on the Tank (hereinafter “Washout Inspection”). During each Washout Inspection, the Tank will be cleaned to remove all mud, silt, and other accumulations from the interior of the Tank. After a Washout Inspection is completed, the interior of the Tank will be thoroughly inspected and disinfected prior to returning the Tank to service; however, the Owner is responsible for draining and filling the Tank and conducting any required testing of the water before returning the Tank to service.
 - c. **Chemical Clean Service.**
 1. During the washout/inspections, the Company will apply an NSF 60 approved chemical cleaning agent to the interior walls and floor surfaces of the Tank to treat mineral build-up and bio-film that form on the interior tank surfaces.
 - d. The Company will provide roof vent/overflow pipe screen and hatch gasket repairs when needed during the term of this SOW2.
 - e. When the Tank is taken out of service, the Company will furnish pressure relief valves, if requested by the Owner, so that the Owner can install the valves in its water system while the Tank is being serviced.

The Owner assumes all risk and liability for the installation and use of the pressure relief valves.

f. The Company will furnish the Owner with current certificates of insurance, which will summarize the Company's insurance coverage.

4. **Price/Annual Fees.** For the performance of the Services required by Section 3, the Owner shall pay the Company an Annual Fee (hereinafter, "Annual Fee") for each Contract Year of the SOW2. The ten **(10)** Annual Fees shall be **\$2,155.00** per Contract Year. All applicable taxes are the responsibility of the Owner and are in addition to the stated costs and fees in this SOW2. Please see Exhibit A – Projected Schedule of Work and Fees for further detail.
5. **Payment Terms.** The Annual Fee for Contract Year 1, plus all applicable taxes, shall be due and payable **within ninety (90) days of the Owner's execution of the SOW2. Each subsequent Annual Fee, plus all applicable taxes, shall be due and payable on the first day of each Contract Year thereafter. Invoicing will be billed on a quarterly schedule.** If the Annual Fee, plus all applicable taxes, are not paid within ninety (90) days of the date of invoice, the Company may charge the Owner a late fee on unpaid balances and may also terminate or suspend Services under this SOW2 without notice. The late fee will be 1.5% per month. Furthermore, if the Owner elects to terminate this contract prior to remitting the ten (10) annual fees, the balance for work completed as defined in the attached Exhibit B – Cancellation Fee Schedule, shall be due and payable within thirty (30) days of the Company's receipt of the Owner's Notice to Terminate.
6. **Changes or Delays to Services.** For purposes of this Section 6, "**Unreasonable Delay**" shall mean the Owner's delay in releasing the Tank or making the Tank available to the Company for the performance of any of the Services described herein for a period of **twenty-four (24) months following the Company's written request for release or access to the Tank.** In the event of Unreasonable Delay, the Company reserves the right to recover its reasonable costs related to the Unreasonable Delay, and the Owner agrees to negotiate with the Company in good faith to determine the amount of its reasonable costs caused by such Unreasonable Delay. Furthermore, the Owner hereby agrees that the parties can mutually verbally agree to replace a Washout Inspection of the Tank with a visual inspection, remotely operated vehicle inspection ("ROV Inspection"), or unmanned aerial vehicle inspection ("UAV Inspection") without requiring the modification of this SOW2.
7. **Structure of Tank and Tank Site Conditions.** The Company is accepting this Tank to maintain pursuant to the requirements of this SOW2 based upon its existing structure and components as of the Effective Date (defined hereinafter). **Any modifications to the Tank, including antenna installations, shall be approved by the Company, prior to installation and may warrant an increase in the Annual Fees.** In addition, changes in the condition of the Tank Site and/or any adjoining properties (e.g., construction of a mall next to the Tank Site which significantly increases the risk of overspray claims, etc.) following the Effective Date, which cause an increase in the cost of the maintenance of the Tank, will be just cause for an equitable adjustment of the Annual Fees in this SOW2.
8. **Environmental, Health, Safety, Labor, or Industry Requirements.** The Owner hereby agrees that the promulgation of, enactment of, or modification to any environmental, health, safety, or labor laws, regulations, orders, or ordinances (e.g., EPA or OSHA regulations or standards) following the Effective Date of this SOW2, which

cause an increase in the cost of the maintenance of the Tank, will be just cause for an equitable adjustment of the Annual Fees in this SOW2. Furthermore, modifications to industry requirement(s) including, but not limited to, standard(s) or other guidance documents issued by the American Water Works Association, National Sanitary Foundation, and the Association for Materials Protection and Performance, which cause an increase in the cost of the maintenance of the Tank, will be just cause for an equitable adjustment of the Annual Fees in this SOW2. Said equitable adjustment of the Annual Fees in this SOW2 will reasonably reflect the increased cost of the Services with newly negotiated Annual Fee(s).

The Parties agree that the Company's Annual Fees are based on the Owner's representation that the work to be performed under this SOW2 are not subject to prevailing wage requirements. The Owner agrees to notify the Company immediately, if the Company's work is (or will become) subject to prevailing wage requirements, so that the Company may submit revised amounts for Annual Fees.

9. **Excluded Items.** This SOW2 does NOT include the cost for and/or liability on the part of the Company for: (i) containment of the Tank at any time during the term of the SOW2; (ii) disposal of any hazardous waste materials; (iii) resolution of operational problems or structural damage due to cold weather; (iv) repair of structural damage due to antenna installations or other attachments for which the Tank was not originally designed; (v) resolution of operational problems or repair of structural damage or site damage caused by physical conditions below the surface of the ground; (vi) negligent acts of Owner's employees, agents or contractors; (vii) damages, whether foreseen or unforeseen, caused by the Owner's use of pressure relief valves; (viii) repairs to the foundation of the Tank; (ix) any latent defects or inaccessible areas of the Tank or its components (including, but not limited to, (a) corrosion from the underside of the floor plates, and (b) inaccessible areas of the Tank such as the area between the bottom of the roof plate and the top of the roof rafter); (x) the maintenance, repair or replacement of any electrical components (to include any lighting, such as aviation lights); (xi) the maintenance, repair or replacement of fill lines, insulation, and/or frost jackets; (xii) the maintenance, repair, or replacement of piping of any kind below ground level; and (xiii) other conditions which are beyond the Owner's and Company's control, including, but not limited to: acts of God and acts of terrorism. Acts of God include, but are not limited to, any damage to the Tank or Tank Site which is caused by seismic activity, hurricanes, and/or tornadoes. Acts of terrorism include, but are not limited to, any damage to the Tank or Tank Site which results from an unauthorized entry of any kind to the Tank or Tank Site.
10. **Termination.** This SOW2 is an annual contract that shall automatically renew on an annual basis for nine (9) successive Contract Years so long as: (i) the Owner pays each Annual Fee to the Company in accordance with the terms herein and (ii) does not terminate the SOW2 pursuant to the terms of this Section. This SOW2 is subject to termination by the Owner only at the end of the then-current Contract Year if written notice of intent to terminate is received by the Company at least ninety (90) days prior to the first day of the upcoming Contract Year. If the notice of intent to terminate is not received at least ninety (90) days prior to the first day of the upcoming Contract Year, this SOW2 shall renew for an additional Contract Year and expire at the end of the upcoming Contract Year. In such an event, the Owner agrees that it shall be responsible to pay the Annual Fee for the upcoming Contract Year. The notice of intent to terminate must be sent by certified mail, with return receipt requested, to Utility Service Co., Inc., Attention:

Customer Service, Post Office Box 1350, Perry, Georgia 31069, and signed by three (3) authorized voting officials of the Owner's governing body (e.g., commission or council). Notice of intent to terminate cannot be delivered electronically or verbally (e.g., email, text, phone call, etc.). The Owner acknowledges and agrees that the Company has advanced Services to the Owner, and the Company has not received full payment for the Services previously performed. Therefore, if the Owner elects to terminate this SOW2 prior to remitting the ten (10) Annual Fees, then the unpaid balance of the first ten (10) Annual Fees for services rendered shall be due and payable within thirty (30) days of the Owner's issuance of the notice of intent to terminate at the end of the then-current Contract Year.

11. **Excessive Inflation.** In the event that the aggregate of the Annual Inflation Rates (defined hereinbelow) established for two (2) consecutive calendar years during the term of this SOW2 exceeds 8% in total, the Owner and the Company agree to renegotiate the Annual Fees and increase the Annual Fees throughout the remaining term of this SOW2 to compensate the Company for the excessive inflation. For purposes of this provision, the Annual Inflation Rate for each calendar year shall be established by the *Engineering News Report – Construction Cost Index (“ENR-CCI”)*. Company will provide Owner with data from the ENR-CCI at the time of renegotiation. In the event that the ENR-CCI index is discontinued, the Owner and the Company will negotiate and agree to an alternative index or methodology to address the excessive inflation. For illustrative purposes, if a SOW is executed in 2022, the first equitable adjustment could not be made until both the 2023 inflation rate and the 2024 inflation rate have been established. If the annual inflation rates for 2023 and 2024 are 5.0% and 3.1%, respectively, the Owner and the Company agree to renegotiate the current year's Annual Fee as well as the remaining Annual Fees for the remainder of the term of the SOW to address the excessive inflation.

The SOW2 is executed and effective as of the date last signed by the parties below.

OWNER

City of Brady

By: _____

Name: _____

Title: _____

Date: _____

COMPANY

Utility Service Co., Inc.

By:  _____

Name: Jonathan Cato

Title: Chief Operating Officer

Date: September 28, 2023

EXHIBIT A

Projected Schedule of Work and Fees

Fee Schedule				
FY2024	FY2025	FY2026	FY2027	FY2028
VISUAL	VISUAL	VISUAL	CHEMICAL CLEAN/WASHOUT	VISUAL
\$ 2,155	\$ 2,155	\$ 2,155	\$ 2,155	\$ 2,155
FY2029	FY2030	FY2031	FY2032	FY2033
VISUAL	VISUAL	CHEMICAL CLEAN/WASHOUT	VISUAL	VISUAL
\$ 2,155	\$ 2,155	\$ 2,155	\$ 2,155	\$ 2,155

EXHIBIT B

Cancellation Fee Schedule

Year	1	2	3	4	5
AIRPORT EST	\$	\$	\$	\$	\$

Year	6	7	8	9	10
AIRPORT EST	\$	\$	\$470	\$202	\$

SCOPE OF WORK NO. 3
TO THE MASTER SERVICES AGREEMENT BETWEEN
UTILITY SERVICE CO., INC.
AND
CITY OF BRADY, TX

CONTRACT FOR SERVICES – 100,000 GALLON G.S.T. - WELL TANK NO. 2

1. **Effective Date.** The Effective Date for this Scope of Work No.3 (“SOW3”) shall be _____, 20____ .
2. **Term.** The Owner agrees to engage the Company to provide the professional service needed to maintain its 100,000 gallon water storage tank located at 900 W. 1st Street, Brady, TX 76825 (hereinafter “tank”). This SOW3 shall commence on the Effective Date and shall continue in full force and effect for one year. This SOW3 will automatically renew for nine (9) successive one-year term unless terminated as defined in Section 10 herein. For purposes of this SOW3, “Contract Year” shall mean the 12-month period which commences on the first day of the month when the SOW3 is executed by the Owner and each successive 12-month period thereafter (hereinafter, “Contract Year” or collectively, “Contract Years”).
3. **Company’s Engagement and Responsibilities.** The services (collectively, “the Services”) that the Company will provide include the following:
 - a. The Tank shall receive Renovations, which will include: **an interior renovation prior to the end of Contract Year 1.**
 - b. The Company will visually inspect the Tank in Contract Years 2,4,6,8 and 10. The Tank will be inspected to ensure that the structure is in a sound, watertight condition. The Company will provide a written inspection report to the Owner following each inspection. **A PDF format report will also be delivered to gjacobson@bradytx.us.**
 - c. In Contract Years 3,5,7 and 9, after the Tank is drained by the Owner, the Company will clean the interior of the Tank and perform a condition assessment on the Tank (hereinafter “Washout Inspection”). During each Washout Inspection, the Tank will be cleaned to remove all mud, silt, and other accumulations from the interior of the Tank. After a Washout Inspection is completed, the interior of the Tank will be thoroughly inspected and disinfected prior to returning the Tank to service; however, the Owner is responsible for draining and filling the Tank and conducting any required testing of the water before returning the Tank to service.
 - d. **Chemical Clean Service.**
 1. During the washout/inspections, the Company will apply an NSF 60 approved chemical cleaning agent to the interior walls and floor surfaces of the Tank to treat mineral build-up and bio-film that form on the interior tank surfaces.
 - e. The Company will provide roof vent/overflow pipe screen and hatch gasket repairs when needed during the term of this SOW3.

- f. The Company will clean and repaint the interior of the Tank prior to the end of Contract Year 1. Only materials approved for use in potable water tanks will be used on any interior surface area. When interior or exterior painting of the Tank is needed, all products and procedures as to coating systems will be equal to or exceed the requirements of the **State of Texas** and the American Water Works Association's D102 standard in effect as of the Effective Date (defined hereinafter).
- g. When the Tank is taken out of service, the Company will furnish pressure relief valves, if requested by the Owner, so that the Owner can install the valves in its water system while the Tank is being serviced. The Owner assumes all risk and liability for the installation and use of the pressure relief valves.
- h. The Company will furnish the Owner with current certificates of insurance, which will summarize the Company's insurance coverage.

4. Price/Annual Fees. For the performance of the Services required by Section 3, the Owner shall pay the Company an Annual Fee (hereinafter, "Annual Fee") for each Contract Year of the SOW3. The ten (10) Annual Fees shall be **\$6,410.00** per Contract Year. All applicable taxes are the responsibility of the Owner and are in addition to the stated costs and fees in this SOW3. Please see Exhibit A – Projected Schedule of Work and Fees for further detail.

5. Payment Terms. The Annual Fee for Contract Year 1, plus all applicable taxes, shall be due and payable **within ninety (90) days of the Owner's execution of the SOW3. Each subsequent Annual Fee, plus all applicable taxes, shall be due and payable on the first day of each Contract Year thereafter. Invoicing will be billed on a quarterly schedule.** If the Annual Fee, plus all applicable taxes, are not paid within ninety (90) days of the date of invoice, the Company may charge the Owner a late fee on unpaid balances and may also terminate or suspend Services under this SOW3 without notice. The late fee will be 1.5% per month. Furthermore, if the Owner elects to terminate this contract prior to remitting the ten (10) annual fees, the balance for work completed as defined in the attached Exhibit B – Cancellation Fee Schedule, shall be due and payable within thirty (30) days of the Company's receipt of the Owner's Notice to Terminate.

6. Changes or Delays to Services. For purposes of this Section 6, "Unreasonable Delay" shall mean the Owner's delay in releasing the Tank or making the Tank available to the Company for the performance of any of the Services described herein for a period of twenty-four (24) months following the Company's written request for release or access to the Tank. In the event of Unreasonable Delay, the Company reserves the right to recover its reasonable costs related to the Unreasonable Delay, and the Owner agrees to negotiate with the Company in good faith to determine the amount of its reasonable costs caused by such Unreasonable Delay. Furthermore, the Owner hereby agrees that the parties can mutually verbally agree to replace a Washout Inspection of the Tank with a visual inspection, remotely operated vehicle inspection ("ROV Inspection"), or unmanned aerial vehicle inspection ("UAV Inspection") without requiring the modification of this SOW3.

7. Structure of Tank and Tank Site Conditions. The Company is accepting this Tank to maintain pursuant to the requirements of this SOW3 based upon its existing structure and components as of the Effective Date (defined hereinafter). **Any modifications to the Tank, including antenna installations, shall be approved by the Company, prior**

to installation and may warrant an increase in the Annual Fees. In addition, changes in the condition of the Tank Site and/or any adjoining properties (e.g., construction of a mall next to the Tank Site which significantly increases the risk of overspray claims, etc.) following the Effective Date, which cause an increase in the cost of the maintenance of the Tank, will be just cause for an equitable adjustment of the Annual Fees in this SOW3.

8. **Environmental, Health, Safety, Labor, or Industry Requirements.** The Owner hereby agrees that the promulgation of, enactment of, or modification to any environmental, health, safety, or labor laws, regulations, orders, or ordinances (e.g., EPA or OSHA regulations or standards) following the Effective Date of this SOW3, which cause an increase in the cost of the maintenance of the Tank, will be just cause for an equitable adjustment of the Annual Fees in this SOW3. Furthermore, modifications to industry requirement(s) including, but not limited to, standard(s) or other guidance documents issued by the American Water Works Association, National Sanitary Foundation, and the Association for Materials Protection and Performance, which cause an increase in the cost of the maintenance of the Tank, will be just cause for an equitable adjustment of the Annual Fees in this SOW3. Said equitable adjustment of the Annual Fees in this SOW3 will reasonably reflect the increased cost of the Services with newly negotiated Annual Fee(s).

The Parties agree that the Company's Annual Fees are based on the Owner's representation that the work to be performed under this SOW3 are not subject to prevailing wage requirements. The Owner agrees to notify the Company immediately, if the Company's work is (or will become) subject to prevailing wage requirements, so that the Company may submit revised amounts for Annual Fees.

9. **Excluded Items.** This SOW3 does NOT include the cost for and/or liability on the part of the Company for: (i) containment of the Tank at any time during the term of the SOW3; (ii) disposal of any hazardous waste materials; (iii) resolution of operational problems or structural damage due to cold weather; (iv) repair of structural damage due to antenna installations or other attachments for which the Tank was not originally designed; (v) resolution of operational problems or repair of structural damage or site damage caused by physical conditions below the surface of the ground; (vi) negligent acts of Owner's employees, agents or contractors; (vii) damages, whether foreseen or unforeseen, caused by the Owner's use of pressure relief valves; (viii) repairs to the foundation of the Tank; (ix) any latent defects or inaccessible areas of the Tank or its components (including, but not limited to, (a) corrosion from the underside of the floor plates, and (b) inaccessible areas of the Tank such as the area between the bottom of the roof plate and the top of the roof rafter); (x) the maintenance, repair or replacement of any electrical components (to include any lighting, such as aviation lights); (xi) the maintenance, repair or replacement of fill lines, insulation, and/or frost jackets; (xii) the maintenance, repair, or replacement of piping of any kind below ground level; and (xiii) other conditions which are beyond the Owner's and Company's control, including, but not limited to: acts of God and acts of terrorism. Acts of God include, but are not limited to, any damage to the Tank or Tank Site which is caused by seismic activity, hurricanes, and/or tornadoes. Acts of terrorism include, but are not limited to, any damage to the Tank or Tank Site which results from an unauthorized entry of any kind to the Tank or Tank Site.

10. **Termination.** This SOW3 is an annual contract that shall automatically renew on an annual basis for nine (9) successive Contract Years so long as: (i) the Owner pays each Annual Fee to the Company in accordance with the terms herein and (ii) does not terminate the SOW3 pursuant to the terms of this Section. This SOW3 is subject to termination by the Owner only at the end of the then-current Contract Year if written notice of intent to terminate is received by the Company at least ninety (90) days prior to the first day of the upcoming Contract Year. If the notice of intent to terminate is not received at least ninety (90) days prior to the first day of the upcoming Contract Year, this SOW3 shall renew for an additional Contract Year and expire at the end of the upcoming Contract Year. In such an event, the Owner agrees that it shall be responsible to pay the Annual Fee for the upcoming Contract Year. The notice of intent to terminate must be sent by certified mail, with return receipt requested, to Utility Service Co., Inc., Attention: Customer Service, Post Office Box 1350, Perry, Georgia 31069, and signed by three (3) authorized voting officials of the Owner's governing body (e.g., commission or council). Notice of intent to terminate cannot be delivered electronically or verbally (e.g., email, text, phone call, etc.). The Owner acknowledges and agrees that the Company has advanced Services to the Owner, and the Company has not received full payment for the Services previously performed. Therefore, if the Owner elects to terminate this SOW3 prior to remitting the ten (10) Annual Fees, then the unpaid balance of the first ten (10) Annual Fees for services rendered shall be due and payable within thirty (30) days of the Owner's issuance of the notice of intent to terminate at the end of the then-current Contract Year.

11. **Excessive Inflation.** In the event that the aggregate of the Annual Inflation Rates (defined hereinbelow) established for two (2) consecutive calendar years during the term of this SOW3 exceeds 8% in total, the Owner and the Company agree to renegotiate the Annual Fees and increase the Annual Fees throughout the remaining term of this SOW3 to compensate the Company for the excessive inflation. For purposes of this provision, the Annual Inflation Rate for each calendar year shall be established by the *Engineering News Report – Construction Cost Index (“ENR-CCI”)*. Company will provide Owner with data from the ENR-CCI at the time of renegotiation. In the event that the ENR-CCI index is discontinued, the Owner and the Company will negotiate and agree to an alternative index or methodology to address the excessive inflation. For illustrative purposes, if a SOW is executed in 2022, the first equitable adjustment could not be made until both the 2023 inflation rate and the 2024 inflation rate have been established. If the annual inflation rates for 2023 and 2024 are 5.0% and 3.1%, respectively, the Owner and the Company agree to renegotiate the current year's Annual Fee as well as the remaining Annual Fees for the remainder of the term of the SOW to address the excessive inflation.

SIGNATURE PAGE TO FOLLOW

The SOW3 is executed and effective as of the date last signed by the parties below.

OWNER

COMPANY

City of Brady

Utility Service Co., Inc.

By: _____

By: _____ 

Name: _____

Name: Jonathan Cato

Title: _____

Title: Chief Operating Officer

Date: _____

Date: September 28, 2023

EXHIBIT A

Projected Schedule of Work and Fees

Fee Schedule				
FY2024	FY2025	FY2026	FY2027	FY2028
INTERIOR PAINT (ONLY)	VISUAL	CHEMICAL CLEAN/WASHOUT	VISUAL	CHEMICAL CLEAN/WASHOUT
\$ 6,410	\$ 6,410	\$ 6,410	\$ 6,410	\$ 6,410
FY2029	FY2030	FY2031	FY2032	FY2033
VISUAL	CHEMICAL CLEAN/WASHOUT	VISUAL	CHEMICAL CLEAN/WASHOUT	VISUAL
\$ 6,410	\$ 6,410	\$ 6,410	\$ 6,410	\$ 6,410

EXHIBIT B

Cancellation Fee Schedule

Year	1	2	3	4	5
Well Tank 2 GST	\$32,884	\$27,953	\$25,195	\$20,371	\$17,876

Year	6	7	8	9	10
Well Tank GST	\$13,166	\$10,954	\$6,366	\$4,456	\$0

SCOPE OF WORK NO. 4
TO THE MASTER SERVICES AGREEMENT BETWEEN
UTILITY SERVICE CO., INC.
AND
CITY OF BRADY, TX

CONTRACT FOR SERVICES – 100,000 GALLON STANDPIPE - LAKE STP TANK

1. **Effective Date.** The Effective Date for this Scope of Work No.4 (“SOW4”) shall be _____, 20____ .
2. **Term.** The Owner agrees to engage the Company to provide the professional service needed to maintain its 100,000 gallon water storage tank located at 3630 West 17th Street, Brady, TX 76825 (hereinafter “tank”). This SOW4 shall commence on the Effective Date and shall continue in full force and effect for one year. This SOW4 will automatically renew for nine (9) successive one-year term unless terminated as defined in Section 10 herein. For purposes of this SOW4, “Contract Year” shall mean the 12-month period which commences on the first day of the month when the SOW4 is executed by the Owner and each successive 12-month period thereafter (hereinafter, “Contract Year” or collectively, “Contract Years”).
3. **Company’s Engagement and Responsibilities.** The services (collectively, “the Services”) that the Company will provide include the following:
 - a. The Tank shall receive Renovations, which will include: **an exterior renovation and interior renovation prior to the end of Contract Year 7.**
 - b. The Company will visually inspect the Tank in Contract Years 2,4,6,8 and 10. The Tank will be inspected to ensure that the structure is in a sound, watertight condition. The Company will provide a written inspection report to the Owner following each inspection. **A PDF format report will also be delivered to gjacobson@bradytx.us.**
 - c. In Contract Years 1,3,5 and 9, after the Tank is drained by the Owner, the Company will clean the interior of the Tank and perform a condition assessment on the Tank (hereinafter “Washout Inspection”). During each Washout Inspection, the Tank will be cleaned to remove all mud, silt, and other accumulations from the interior of the Tank. After a Washout Inspection is completed, the interior of the Tank will be thoroughly inspected and disinfected prior to returning the Tank to service; however, the Owner is responsible for draining and filling the Tank and conducting any required testing of the water before returning the Tank to service.
 - d. **Chemical Clean Service.**
 1. During the washout/inspections, the Company will apply an NSF 60 approved chemical cleaning agent to the interior walls and floor surfaces of the Tank to treat mineral build-up and bio-film that form on the interior tank surfaces.

- e. The Company will provide roof vent/overflow pipe screen and hatch gasket repairs when needed during the term of this SOW4.
- f. The Company will clean and repaint the exterior and interior of the Tank prior to the end of Contract Year 7. Only materials approved for use in potable water tanks will be used on any interior surface area. When interior or exterior painting of the Tank is needed, all products and procedures as to coating systems will be equal to or exceed the requirements of the **State of Texas** and the American Water Works Association's D102 standard in effect as of the Effective Date (defined hereinafter).
- g. When the Tank is taken out of service, the Company will furnish pressure relief valves, if requested by the Owner, so that the Owner can install the valves in its water system while the Tank is being serviced. The Owner assumes all risk and liability for the installation and use of the pressure relief valves.
- h. The Company will furnish the Owner with current certificates of insurance, which will summarize the Company's insurance coverage.

4. **Price/Annual Fees.** For the performance of the Services required by Section 3, the Owner shall pay the Company an Annual Fee (hereinafter, "Annual Fee") for each Contract Year of the SOW4. The ten **(10)** Annual Fees shall be **\$22,488.00** per Contract Year. All applicable taxes are the responsibility of the Owner and are in addition to the stated costs and fees in this SOW4. Please see Exhibit A – Projected Schedule of Work and Fees for further detail.

5. **Payment Terms.** The Annual Fee for Contract **Year 1**, plus all applicable taxes, shall be due and payable **within ninety (90) days of the Owner's execution of the SOW4. Each subsequent Annual Fee, plus all applicable taxes, shall be due and payable on the first day of each Contract Year thereafter. Invoicing will be billed on a quarterly schedule.** If the Annual Fee, plus all applicable taxes, are not paid within ninety (90) days of the date of invoice, the Company may charge the Owner a late fee on unpaid balances and may also terminate or suspend Services under this SOW4 without notice. The late fee will be 1.5% per month. Furthermore, if the Owner elects to terminate this contract prior to remitting the ten (10) annual fees, the balance for work completed as defined in the attached Exhibit B – Cancellation Fee Schedule, shall be due and payable within thirty (30) days of the Company's receipt of the Owner's Notice to Terminate.

6. **Changes or Delays to Services.** For purposes of this Section 6, "**Unreasonable Delay**" shall mean the Owner's delay in releasing the Tank or making the Tank available to the Company for the performance of any of the Services described herein for a period of **twenty-four (24) months following the Company's written request for release or access to the Tank.** In the event of Unreasonable Delay, the Company reserves the right to recover its reasonable costs related to the Unreasonable Delay, and the Owner agrees to negotiate with the Company in good faith to determine the amount of its reasonable costs caused by such Unreasonable Delay. Furthermore, the Owner hereby agrees that the parties can mutually verbally agree to replace a Washout Inspection of the Tank with a visual inspection, remotely operated vehicle inspection ("ROV Inspection"), or unmanned aerial vehicle inspection ("UAV Inspection") without requiring the modification of this SOW4.

7. Structure of Tank and Tank Site Conditions. The Company is accepting this Tank to maintain pursuant to the requirements of this SOW4 based upon its existing structure and components as of the Effective Date (defined hereinafter). ***Any modifications to the Tank, including antenna installations, shall be approved by the Company, prior to installation and may warrant an increase in the Annual Fees.*** In addition, changes in the condition of the Tank Site and/or any adjoining properties (e.g., construction of a mall next to the Tank Site which significantly increases the risk of overspray claims, etc.) following the Effective Date, which cause an increase in the cost of the maintenance of the Tank, will be just cause for an equitable adjustment of the Annual Fees in this SOW4.

8. Environmental, Health, Safety, Labor, or Industry Requirements. The Owner hereby agrees that the promulgation of, enactment of, or modification to any environmental, health, safety, or labor laws, regulations, orders, or ordinances (e.g., EPA or OSHA regulations or standards) following the Effective Date of this SOW4, which cause an increase in the cost of the maintenance of the Tank, will be just cause for an equitable adjustment of the Annual Fees in this SOW4. Furthermore, modifications to industry requirement(s) including, but not limited to, standard(s) or other guidance documents issued by the American Water Works Association, National Sanitary Foundation, and the Association for Materials Protection and Performance, which cause an increase in the cost of the maintenance of the Tank, will be just cause for an equitable adjustment of the Annual Fees in this SOW4. Said equitable adjustment of the Annual Fees in this SOW4 will reasonably reflect the increased cost of the Services with newly negotiated Annual Fee(s).

The Parties agree that the Company's Annual Fees are based on the Owner's representation that the work to be performed under this SOW4 are not subject to prevailing wage requirements. The Owner agrees to notify the Company immediately, if the Company's work is (or will become) subject to prevailing wage requirements, so that the Company may submit revised amounts for Annual Fees.

9. Excluded Items. This SOW4 does NOT include the cost for and/or liability on the part of the Company for: (i) containment of the Tank at any time during the term of the SOW4; except for the Containment/Exterior Renovation Contract Year 7; (ii) disposal of any hazardous waste materials; (iii) resolution of operational problems or structural damage due to cold weather; (iv) repair of structural damage due to antenna installations or other attachments for which the Tank was not originally designed; (v) resolution of operational problems or repair of structural damage or site damage caused by physical conditions below the surface of the ground; (vi) negligent acts of Owner's employees, agents or contractors; (vii) damages, whether foreseen or unforeseen, caused by the Owner's use of pressure relief valves; (viii) repairs to the foundation of the Tank; (ix) any latent defects or inaccessible areas of the Tank or its components (including, but not limited to, (a) corrosion from the underside of the floor plates, and (b) inaccessible areas of the Tank such as the area between the bottom of the roof plate and the top of the roof rafter); (x) the maintenance, repair or replacement of any electrical components (to include any lighting, such as aviation lights); (xi) the maintenance, repair or replacement of fill lines, insulation, and/or frost jackets; (xii) the maintenance, repair, or replacement of piping of any kind below ground level; and (xiii) other conditions which are beyond the Owner's and Company's control, including, but not limited to: acts of God and acts of terrorism. Acts of God include, but are not limited to, any damage to the Tank or Tank Site which is caused by seismic activity, hurricanes, and/or tornadoes. Acts of terrorism include, but are not limited to, any damage to the Tank or Tank Site which results from an

unauthorized entry of any kind to the Tank or Tank Site.

10. **Termination.** This SOW4 is an annual contract that shall automatically renew on an annual basis for nine (9) successive Contract Years so long as: (i) the Owner pays each Annual Fee to the Company in accordance with the terms herein and (ii) does not terminate the SOW4 pursuant to the terms of this Section. This SOW4 is subject to termination by the Owner only at the end of the then-current Contract Year if written notice of intent to terminate is received by the Company at least ninety (90) days prior to the first day of the upcoming Contract Year. If the notice of intent to terminate is not received at least ninety (90) days prior to the first day of the upcoming Contract Year, this SOW4 shall renew for an additional Contract Year and expire at the end of the upcoming Contract Year. In such an event, the Owner agrees that it shall be responsible to pay the Annual Fee for the upcoming Contract Year. The notice of intent to terminate must be sent by certified mail, with return receipt requested, to Utility Service Co., Inc., Attention: Customer Service, Post Office Box 1350, Perry, Georgia 31069, and signed by three (3) authorized voting officials of the Owner's governing body (e.g., commission or council). Notice of intent to terminate cannot be delivered electronically or verbally (e.g., email, text, phone call, etc.). The Owner acknowledges and agrees that the Company has advanced Services to the Owner, and the Company has not received full payment for the Services previously performed. Therefore, if the Owner elects to terminate this SOW4 prior to remitting the ten (10) Annual Fees, then the unpaid balance of the first ten (10) Annual Fees for services rendered shall be due and payable within thirty (30) days of the Owner's issuance of the notice of intent to terminate at the end of the then-current Contract Year.

11. **Excessive Inflation.** In the event that the aggregate of the Annual Inflation Rates (defined hereinbelow) established for two (2) consecutive calendar years during the term of this SOW4 exceeds 8% in total, the Owner and the Company agree to renegotiate the Annual Fees and increase the Annual Fees throughout the remaining term of this SOW4 to compensate the Company for the excessive inflation. For purposes of this provision, the Annual Inflation Rate for each calendar year shall be established by the *Engineering News Report – Construction Cost Index (“ENR-CCI”)*. Company will provide Owner with data from the ENR-CCI at the time of renegotiation. In the event that the ENR-CCI index is discontinued, the Owner and the Company will negotiate and agree to an alternative index or methodology to address the excessive inflation. For illustrative purposes, if a SOW is executed in 2022, the first equitable adjustment could not be made until both the 2023 inflation rate and the 2024 inflation rate have been established. If the annual inflation rates for 2023 and 2024 are 5.0% and 3.1%, respectively, the Owner and the Company agree to renegotiate the current year's Annual Fee as well as the remaining Annual Fees for the remainder of the term of the SOW to address the excessive inflation.

The SOW4 is executed and effective as of the date last signed by the parties below.

OWNER

City of Brady

By: _____

Name: _____

Title: _____

Date: _____

COMPANY

Utility Service Co., Inc.

By: _____


Name: Jonathan Cato

Title: Chief Operating Officer

Date: September 28, 2023

EXHIBIT A

Projected Schedule of Work and Fees

Fee Schedule				
FY2024	FY2025	FY2026	FY2027	FY2028
CHEMICAL CLEAN/WASHOUT	VISUAL	CHEMICAL CLEAN/WASHOUT	VISUAL	CHEMICAL CLEAN/WASHOUT
\$ 22,488	\$ 22,488	\$ 22,488	\$ 22,488	\$ 22,488
FY2029	FY2030	FY2031	FY2032	FY2033
VISUAL	EXTERIOR/INTERIOR PAINT	VISUAL	CHEMICAL CLEAN/WASHOUT	VISUAL
\$ 22,488	\$ 22,488	\$ 22,488	\$ 22,488	\$ 22,488

EXHIBIT B

Cancellation Fee Schedule

Year	1	2	3	4	5
Lake STP	\$0	\$0	\$0	\$0	\$0

Year	6	7	8	9	10
Lake STP	\$0	\$58,877	\$38,211	\$20,535	\$0

SCOPE OF WORK NO. 5
TO THE MASTER SERVICES AGREEMENT BETWEEN
UTILITY SERVICE CO., INC.
AND
CITY OF BRADY, TX

CONTRACT FOR SERVICES – 50,000 GALLON STANDPIPE - WELL TANK 6 AND 8

1. **Effective Date.** The Effective Date for this Scope of Work No.5 (“SOW5”) shall be _____, 20____ .
2. **Term.** The Owner agrees to engage the Company to provide the professional service needed to maintain its 50,000 gallon water storage tank located at 398 Fife Road, Brady, TX 76825 (hereinafter “tank”). This SOW5 shall commence on the Effective Date and shall continue in full force and effect for one year. This SOW5 will automatically renew for nine (9) successive one-year term unless terminated as defined in Section 10 herein. For purposes of this SOW5, “Contract Year” shall mean the 12-month period which commences on the first day of the month when the SOW5 is executed by the Owner and each successive 12-month period thereafter (hereinafter, “Contract Year” or collectively, “Contract Years”).
3. **Company’s Engagement and Responsibilities.** The services (collectively, “the Services”) that the Company will provide include the following:
 - a. The Tank shall receive Renovations, which will include: **an interior renovation prior to the end of Contract Year 7.**
 - b. The Company will visually inspect the Tank in Contract Years 2,4,6,8 and 10. The Tank will be inspected to ensure that the structure is in a sound, watertight condition. The Company will provide a written inspection report to the Owner following each inspection. **A PDF format report will also be delivered to gjacobson@bradytx.us.**
 - c. In Contract Years 1,3,5 and 9, after the Tank is drained by the Owner, the Company will clean the interior of the Tank and perform a condition assessment on the Tank (hereinafter “Washout Inspection”). During each Washout Inspection, the Tank will be cleaned to remove all mud, silt, and other accumulations from the interior of the Tank. After a Washout Inspection is completed, the interior of the Tank will be thoroughly inspected and disinfected prior to returning the Tank to service; however, the Owner is responsible for draining and filling the Tank and conducting any required testing of the water before returning the Tank to service.
 - d. **Chemical Clean Service.**
 1. During the washout/inspections, the Company will apply an NSF 60 approved chemical cleaning agent to the interior walls and floor surfaces of the Tank to treat mineral build-up and bio-film that form on the interior tank surfaces.
 - e. The Company will provide roof vent/overflow pipe screen and hatch gasket repairs when needed during the term of this SOW5.

f. The Company will clean and repaint the interior of the Tank prior to the end of Contract Year 7. Only materials approved for use in potable water tanks will be used on any interior surface area. When interior or exterior painting of the Tank is needed, all products and procedures as to coating systems will be equal to or exceed the requirements of the **State of Texas** and the American Water Works Association's D102 standard in effect as of the Effective Date (defined hereinafter).

g. When the Tank is taken out of service, the Company will furnish pressure relief valves, if requested by the Owner, so that the Owner can install the valves in its water system while the Tank is being serviced. The Owner assumes all risk and liability for the installation and use of the pressure relief valves.

h. The Company will furnish the Owner with current certificates of insurance, which will summarize the Company's insurance coverage.

4. **Price/Annual Fees.** For the performance of the Services required by Section 3, the Owner shall pay the Company an Annual Fee (hereinafter, "Annual Fee") for each Contract Year of the SOW5. The ten (10) Annual Fees shall be **\$5,890.00** per Contract Year. All applicable taxes are the responsibility of the Owner and are in addition to the stated costs and fees in this SOW5. Please see Exhibit A – Projected Schedule of Work and Fees for further detail.

5. **Payment Terms.** The Annual Fee for Contract Year 1, plus all applicable taxes, shall be due and payable **within ninety (90) days of the Owner's execution of the SOW5. Each subsequent Annual Fee, plus all applicable taxes, shall be due and payable on the first day of each Contract Year thereafter. Invoicing will be billed on a quarterly schedule.** If the Annual Fee, plus all applicable taxes, are not paid within ninety (90) days of the date of invoice, the Company may charge the Owner a late fee on unpaid balances and may also terminate or suspend Services under this SOW5 without notice. The late fee will be 1.5% per month. Furthermore, if the Owner elects to terminate this contract prior to remitting the ten (10) annual fees, the balance for work completed as defined in the attached Exhibit B – Cancellation Fee Schedule, shall be due and payable within thirty (30) days of the Company's receipt of the Owner's Notice to Terminate.

6. **Changes or Delays to Services.** For purposes of this Section 6, "Unreasonable Delay" shall mean the Owner's delay in releasing the Tank or making the Tank available to the Company for the performance of any of the Services described herein for a period of twenty-four (24) months following the Company's written request for release or access to the Tank. In the event of Unreasonable Delay, the Company reserves the right to recover its reasonable costs related to the Unreasonable Delay, and the Owner agrees to negotiate with the Company in good faith to determine the amount of its reasonable costs caused by such Unreasonable Delay. Furthermore, the Owner hereby agrees that the parties can mutually verbally agree to replace a Washout Inspection of the Tank with a visual inspection, remotely operated vehicle inspection ("ROV Inspection"), or unmanned aerial vehicle inspection ("UAV Inspection") without requiring the modification of this SOW5.

7. **Structure of Tank and Tank Site Conditions.** The Company is accepting this Tank to maintain pursuant to the requirements of this SOW5 based upon its existing structure and components as of the Effective Date (defined hereinafter). **Any modifications to the Tank, including antenna installations, shall be approved by the Company, prior**

to installation and may warrant an increase in the Annual Fees. In addition, changes in the condition of the Tank Site and/or any adjoining properties (e.g., construction of a mall next to the Tank Site which significantly increases the risk of overspray claims, etc.) following the Effective Date, which cause an increase in the cost of the maintenance of the Tank, will be just cause for an equitable adjustment of the Annual Fees in this SOW5.

8. **Environmental, Health, Safety, Labor, or Industry Requirements.** The Owner hereby agrees that the promulgation of, enactment of, or modification to any environmental, health, safety, or labor laws, regulations, orders, or ordinances (e.g., EPA or OSHA regulations or standards) following the Effective Date of this SOW5, which cause an increase in the cost of the maintenance of the Tank, will be just cause for an equitable adjustment of the Annual Fees in this SOW5. Furthermore, modifications to industry requirement(s) including, but not limited to, standard(s) or other guidance documents issued by the American Water Works Association, National Sanitary Foundation, and the Association for Materials Protection and Performance, which cause an increase in the cost of the maintenance of the Tank, will be just cause for an equitable adjustment of the Annual Fees in this SOW5. Said equitable adjustment of the Annual Fees in this SOW5 will reasonably reflect the increased cost of the Services with newly negotiated Annual Fee(s).

The Parties agree that the Company's Annual Fees are based on the Owner's representation that the work to be performed under this SOW5 are not subject to prevailing wage requirements. The Owner agrees to notify the Company immediately, if the Company's work is (or will become) subject to prevailing wage requirements, so that the Company may submit revised amounts for Annual Fees.

9. **Excluded Items.** This SOW5 does NOT include the cost for and/or liability on the part of the Company for: (i) containment of the Tank at any time during the term of the SOW5; (ii) disposal of any hazardous waste materials; (iii) resolution of operational problems or structural damage due to cold weather; (iv) repair of structural damage due to antenna installations or other attachments for which the Tank was not originally designed; (v) resolution of operational problems or repair of structural damage or site damage caused by physical conditions below the surface of the ground; (vi) negligent acts of Owner's employees, agents or contractors; (vii) damages, whether foreseen or unforeseen, caused by the Owner's use of pressure relief valves; (viii) repairs to the foundation of the Tank; (ix) any latent defects or inaccessible areas of the Tank or its components (including, but not limited to, (a) corrosion from the underside of the floor plates, and (b) inaccessible areas of the Tank such as the area between the bottom of the roof plate and the top of the roof rafter); (x) the maintenance, repair or replacement of any electrical components (to include any lighting, such as aviation lights); (xi) the maintenance, repair or replacement of fill lines, insulation, and/or frost jackets; (xii) the maintenance, repair, or replacement of piping of any kind below ground level; and (xiii) other conditions which are beyond the Owner's and Company's control, including, but not limited to: acts of God and acts of terrorism. Acts of God include, but are not limited to, any damage to the Tank or Tank Site which is caused by seismic activity, hurricanes, and/or tornadoes. Acts of terrorism include, but are not limited to, any damage to the Tank or Tank Site which results from an unauthorized entry of any kind to the Tank or Tank Site.

10. **Termination.** This SOW5 is an annual contract that shall automatically renew on an annual basis for nine (9) successive Contract Years so long as: (i) the Owner

pays each Annual Fee to the Company in accordance with the terms herein and (ii) does not terminate the SOW5 pursuant to the terms of this Section. This SOW5 is subject to termination by the Owner only at the end of the then-current Contract Year if written notice of intent to terminate is received by the Company at least ninety (90) days prior to the first day of the upcoming Contract Year. If the notice of intent to terminate is not received at least ninety (90) days prior to the first day of the upcoming Contract Year, this SOW5 shall renew for an additional Contract Year and expire at the end of the upcoming Contract Year. In such an event, the Owner agrees that it shall be responsible to pay the Annual Fee for the upcoming Contract Year. The notice of intent to terminate must be sent by certified mail, with return receipt requested, to Utility Service Co., Inc., Attention: Customer Service, Post Office Box 1350, Perry, Georgia 31069, and signed by three (3) authorized voting officials of the Owner's governing body (e.g., commission or council). Notice of intent to terminate cannot be delivered electronically or verbally (e.g., email, text, phone call, etc.). The Owner acknowledges and agrees that the Company has advanced Services to the Owner, and the Company has not received full payment for the Services previously performed. Therefore, if the Owner elects to terminate this SOW5 prior to remitting the ten (10) Annual Fees, then the unpaid balance of the first ten (10) Annual Fees for services rendered shall be due and payable within thirty (30) days of the Owner's issuance of the notice of intent to terminate at the end of the then-current Contract Year.

- 11. **Excessive Inflation.** In the event that the aggregate of the Annual Inflation Rates (defined hereinbelow) established for two (2) consecutive calendar years during the term of this SOW5 exceeds 8% in total, the Owner and the Company agree to renegotiate the Annual Fees and increase the Annual Fees throughout the remaining term of this SOW5 to compensate the Company for the excessive inflation. For purposes of this provision, the Annual Inflation Rate for each calendar year shall be established by the *Engineering News Report – Construction Cost Index (“ENR-CCI”)*. Company will provide Owner with data from the ENR-CCI at the time of renegotiation. In the event that the ENR-CCI index is discontinued, the Owner and the Company will negotiate and agree to an alternative index or methodology to address the excessive inflation. For illustrative purposes, if a SOW is executed in 2022, the first equitable adjustment could not be made until both the 2023 inflation rate and the 2024 inflation rate have been established. If the annual inflation rates for 2023 and 2024 are 5.0% and 3.1%, respectively, the Owner and the Company agree to renegotiate the current year's Annual Fee as well as the remaining Annual Fees for the remainder of the term of the SOW to address the excessive inflation.

The SOW5 is executed and effective as of the date last signed by the parties below.

OWNER

COMPANY

City of Brady

Utility Service Co., Inc.

By: _____

By:  _____

Name: _____

Name: Jonathan Cato

Title: _____

Title: Chief Operating Officer

Date: _____

Date: September 28, 2023

EXHIBIT A

Projected Schedule of Work and Fees

Fee Schedule				
FY2024	FY2025	FY2026	FY2027	FY2028
CHEMICAL CLEAN/WASHOUT	VISUAL	CHEMICAL CLEAN/WASHOUT	VISUAL	CHEMICAL CLEAN/WASHOUT
\$ 5,890	\$ 5,890	\$ 5,890	\$ 5,890	\$ 5,890
FY2029	FY2030	FY2031	FY2032	FY2033
VISUAL	INTERIOR PAINT (ONLY)	VISUAL	CHEMICAL CLEAN/WASHOUT	VISUAL
\$ 5,890	\$ 5,890	\$ 5,890	\$ 5,890	\$ 5,890

EXHIBIT B

Cancellation Fee Schedule

Year	1	2	3	4	5
Well Tank 6&8	\$0	\$0	\$0	\$0	\$0

Year	6	7	8	9	10
Well Tank 6&8	\$0	\$9,601	\$5,534	\$3,936	\$0

SCOPE OF WORK NO. 6
TO THE MASTER SERVICES AGREEMENT BETWEEN
UTILITY SERVICE CO., INC.
AND
CITY OF BRADY, TX

CONTRACT FOR SERVICES – 100,000 GALLON G.S.T.- WELL TANK 3

1. **Effective Date.** The Effective Date for this Scope of Work No.6 (“SOW6”) shall be _____, 20____ .
2. **Term.** The Owner agrees to engage the Company to provide the professional service needed to maintain its 100,000 gallon water storage tank located at 200 S. Oak Street, Brady, TX 76825 (hereinafter “tank”). This SOW6 shall commence on the Effective Date and shall continue in full force and effect for one year. This SOW6 will automatically renew for nine (9) successive one-year term unless terminated as defined in Section 10 herein. For purposes of this SOW6, “Contract Year” shall mean the 12-month period which commences on the first day of the month when the SOW6 is executed by the Owner and each successive 12-month period thereafter (hereinafter, “Contract Year” or collectively, “Contract Years”).
3. **Company’s Engagement and Responsibilities.** The services (collectively, “the Services”) that the Company will provide include the following:
 - a. The Tank shall receive Renovations, which will include: **an exterior renovation and interior renovation prior to the end of Contract Year 4.**
 - b. The Company will visually inspect the Tank in Contract Years 1,3,5,7 and 9. The Tank will be inspected to ensure that the structure is in a sound, watertight condition. The Company will provide a written inspection report to the Owner following each inspection. **A PDF format report will also be delivered to gjacobson@bradytx.us.**
 - c. In Contract Years 2,6,8 and 10, after the Tank is drained by the Owner, the Company will clean the interior of the Tank and perform a condition assessment on the Tank (hereinafter “Washout Inspection”). During each Washout Inspection, the Tank will be cleaned to remove all mud, silt, and other accumulations from the interior of the Tank. After a Washout Inspection is completed, the interior of the Tank will be thoroughly inspected and disinfected prior to returning the Tank to service; however, the Owner is responsible for draining and filling the Tank and conducting any required testing of the water before returning the Tank to service.
 - d. **Chemical Clean Service.**
 1. During the washout/inspections, the Company will apply an NSF 60 approved chemical cleaning agent to the interior walls and floor surfaces of the Tank to treat mineral build-up and bio-film that form on the interior tank surfaces.

- e. The Company will provide roof vent/overflow pipe screen and hatch gasket repairs when needed during the term of this SOW6.
- f. The Company will clean and repaint the exterior and interior of the Tank prior to the end of Contract Year 4. Only materials approved for use in potable water tanks will be used on any interior surface area. When interior or exterior painting of the Tank is needed, all products and procedures as to coating systems will be equal to or exceed the requirements of the **State of Texas** and the American Water Works Association's D102 standard in effect as of the Effective Date (defined hereinafter).
- g. When the Tank is taken out of service, the Company will furnish pressure relief valves, if requested by the Owner, so that the Owner can install the valves in its water system while the Tank is being serviced. The Owner assumes all risk and liability for the installation and use of the pressure relief valves.
- h. The Company will furnish the Owner with current certificates of insurance, which will summarize the Company's insurance coverage.

4. **Price/Annual Fees.** For the performance of the Services required by Section 3, the Owner shall pay the Company an Annual Fee (hereinafter, "Annual Fee") for each Contract Year of the SOW6. The ten **(10)** Annual Fees shall be **\$14,545.00** per Contract Year. All applicable taxes are the responsibility of the Owner and are in addition to the stated costs and fees in this SOW6. Please see Exhibit A – Projected Schedule of Work and Fees for further detail.

5. **Payment Terms.** The Annual Fee for Contract **Year 1**, plus all applicable taxes, shall be due and payable **within ninety (90) days of the Owner's execution of the SOW6. Each subsequent Annual Fee, plus all applicable taxes, shall be due and payable on the first day of each Contract Year thereafter. Invoicing will be billed on a quarterly schedule.** If the Annual Fee, plus all applicable taxes, are not paid within ninety (90) days of the date of invoice, the Company may charge the Owner a late fee on unpaid balances and may also terminate or suspend Services under this SOW6 without notice. The late fee will be 1.5% per month. Furthermore, if the Owner elects to terminate this contract prior to remitting the ten (10) annual fees, the balance for work completed as defined in the attached Exhibit B – Cancellation Fee Schedule, shall be due and payable within thirty (30) days of the Company's receipt of the Owner's Notice to Terminate.

6. **Changes or Delays to Services.** For purposes of this Section 6, "**Unreasonable Delay**" shall mean the Owner's delay in releasing the Tank or making the Tank available to the Company for the performance of any of the Services described herein for a period of **twenty-four (24) months following the Company's written request for release or access to the Tank.** In the event of Unreasonable Delay, the Company reserves the right to recover its reasonable costs related to the Unreasonable Delay, and the Owner agrees to negotiate with the Company in good faith to determine the amount of its reasonable costs caused by such Unreasonable Delay. Furthermore, the Owner hereby agrees that the parties can mutually verbally agree to replace a Washout Inspection of the Tank with a visual inspection, remotely operated vehicle inspection ("ROV Inspection"), or unmanned aerial vehicle inspection ("UAV Inspection") without requiring the modification of this SOW6.

7. Structure of Tank and Tank Site Conditions. The Company is accepting this Tank to maintain pursuant to the requirements of this SOW6 based upon its existing structure and components as of the Effective Date (defined hereinafter). ***Any modifications to the Tank, including antenna installations, shall be approved by the Company, prior to installation and may warrant an increase in the Annual Fees.*** In addition, changes in the condition of the Tank Site and/or any adjoining properties (e.g., construction of a mall next to the Tank Site which significantly increases the risk of overspray claims, etc.) following the Effective Date, which cause an increase in the cost of the maintenance of the Tank, will be just cause for an equitable adjustment of the Annual Fees in this SOW6.

8. Environmental, Health, Safety, Labor, or Industry Requirements. The Owner hereby agrees that the promulgation of, enactment of, or modification to any environmental, health, safety, or labor laws, regulations, orders, or ordinances (e.g., EPA or OSHA regulations or standards) following the Effective Date of this SOW6, which cause an increase in the cost of the maintenance of the Tank, will be just cause for an equitable adjustment of the Annual Fees in this SOW6. Furthermore, modifications to industry requirement(s) including, but not limited to, standard(s) or other guidance documents issued by the American Water Works Association, National Sanitary Foundation, and the Association for Materials Protection and Performance, which cause an increase in the cost of the maintenance of the Tank, will be just cause for an equitable adjustment of the Annual Fees in this SOW6. Said equitable adjustment of the Annual Fees in this SOW6 will reasonably reflect the increased cost of the Services with newly negotiated Annual Fee(s).

The Parties agree that the Company's Annual Fees are based on the Owner's representation that the work to be performed under this SOW6 are not subject to prevailing wage requirements. The Owner agrees to notify the Company immediately, if the Company's work is (or will become) subject to prevailing wage requirements, so that the Company may submit revised amounts for Annual Fees.

9. Excluded Items. This SOW6 does NOT include the cost for and/or liability on the part of the Company for: (i) containment of the Tank at any time during the term of the SOW6; except for the Exterior Containment in Contract Year 4; (ii) disposal of any hazardous waste materials; (iii) resolution of operational problems or structural damage due to cold weather; (iv) repair of structural damage due to antenna installations or other attachments for which the Tank was not originally designed; (v) resolution of operational problems or repair of structural damage or site damage caused by physical conditions below the surface of the ground; (vi) negligent acts of Owner's employees, agents or contractors; (vii) damages, whether foreseen or unforeseen, caused by the Owner's use of pressure relief valves; (viii) repairs to the foundation of the Tank; (ix) any latent defects or inaccessible areas of the Tank or its components (including, but not limited to, (a) corrosion from the underside of the floor plates, and (b) inaccessible areas of the Tank such as the area between the bottom of the roof plate and the top of the roof rafter); (x) the maintenance, repair or replacement of any electrical components (to include any lighting, such as aviation lights); (xi) the maintenance, repair or replacement of fill lines, insulation, and/or frost jackets; (xii) the maintenance, repair, or replacement of piping of any kind below ground level; and (xiii) other conditions which are beyond the Owner's and Company's control, including, but not limited to: acts of God and acts of terrorism. Acts of God include, but are not limited to, any damage to the Tank or Tank Site which is caused by seismic activity, hurricanes, and/or tornadoes. Acts of terrorism include, but are not limited to, any damage to the Tank or Tank Site which results from an

unauthorized entry of any kind to the Tank or Tank Site.

10. **Termination.** This SOW6 is an annual contract that shall automatically renew on an annual basis for nine (9) successive Contract Years so long as: (i) the Owner pays each Annual Fee to the Company in accordance with the terms herein and (ii) does not terminate the SOW6 pursuant to the terms of this Section. This SOW6 is subject to termination by the Owner only at the end of the then-current Contract Year if written notice of intent to terminate is received by the Company at least ninety (90) days prior to the first day of the upcoming Contract Year. If the notice of intent to terminate is not received at least ninety (90) days prior to the first day of the upcoming Contract Year, this SOW6 shall renew for an additional Contract Year and expire at the end of the upcoming Contract Year. In such an event, the Owner agrees that it shall be responsible to pay the Annual Fee for the upcoming Contract Year. The notice of intent to terminate must be sent by certified mail, with return receipt requested, to Utility Service Co., Inc., Attention: Customer Service, Post Office Box 1350, Perry, Georgia 31069, and signed by three (3) authorized voting officials of the Owner's governing body (e.g., commission or council). Notice of intent to terminate cannot be delivered electronically or verbally (e.g., email, text, phone call, etc.). The Owner acknowledges and agrees that the Company has advanced Services to the Owner, and the Company has not received full payment for the Services previously performed. Therefore, if the Owner elects to terminate this SOW6 prior to remitting the ten (10) Annual Fees, then the unpaid balance of the first ten (10) Annual Fees for services rendered shall be due and payable within thirty (30) days of the Owner's issuance of the notice of intent to terminate at the end of the then-current Contract Year.

11. **Excessive Inflation.** In the event that the aggregate of the Annual Inflation Rates (defined hereinbelow) established for two (2) consecutive calendar years during the term of this SOW6 exceeds 8% in total, the Owner and the Company agree to renegotiate the Annual Fees and increase the Annual Fees throughout the remaining term of this SOW6 to compensate the Company for the excessive inflation. For purposes of this provision, the Annual Inflation Rate for each calendar year shall be established by the *Engineering News Report – Construction Cost Index ("ENR-CCI")*. Company will provide Owner with data from the ENR-CCI at the time of renegotiation. In the event that the ENR-CCI index is discontinued, the Owner and the Company will negotiate and agree to an alternative index or methodology to address the excessive inflation. For illustrative purposes, if a SOW is executed in 2022, the first equitable adjustment could not be made until both the 2023 inflation rate and the 2024 inflation rate have been established. If the annual inflation rates for 2023 and 2024 are 5.0% and 3.1%, respectively, the Owner and the Company agree to renegotiate the current year's Annual Fee as well as the remaining Annual Fees for the remainder of the term of the SOW to address the excessive inflation.

The SOW6 is executed and effective as of the date last signed by the parties below.

OWNER

City of Brady

By: _____

Name: _____

Title: _____

Date: _____

COMPANY

Utility Service Co., Inc.

By: _____ 

Name: Jonathan Cato

Title: Chief Operating Officer

Date: September 28, 2023

EXHIBIT A

Projected Schedule of Work and Fees

Fee Schedule				
FY2024	FY2025	FY2026	FY2027	FY2028
VISUAL	CHEMICAL CLEAN/WASHOUT	VISUAL	EXTERIOR/INTERIOR PAINT	VISUAL
\$ 14,545	\$ 14,545	\$ 14,545	\$ 14,545	\$ 14,545
FY2029	FY2030	FY2031	FY2032	FY2033
CHEMICAL CLEAN/WASHOUT	VISUAL	CHEMICAL CLEAN/WASHOUT	VISUAL	CHEMICAL CLEAN/WASHOUT
\$ 14,545	\$ 14,545	\$ 14,545	\$ 14,545	\$ 14,545

EXHIBIT B

Cancellation Fee Schedule

Year	1	2	3	4	5
Well Tank 3	\$0	\$0	\$0	\$68,921	\$56,018

Year	6	7	8	9	10
Well Tank 3	\$45,527	\$32,742	\$22,544	\$9,855	\$0

SCOPE OF WORK NO. 7
TO THE MASTER SERVICES AGREEMENT BETWEEN
UTILITY SERVICE CO., INC.
AND
CITY OF BRADY, TX

CONTRACT FOR SERVICES – 100,000 GALLON G.S.T. - WELL TANK 4

1. **Effective Date.** The Effective Date for this Scope of Work No.7 (“SOW7”) shall be _____, 20____ .
2. **Term.** The Owner agrees to engage the Company to provide the professional service needed to maintain its 100,000 gallon water storage tank located at 907 W. Street, Brady, TX 76825 (hereinafter “tank”). This SOW7 shall commence on the Effective Date and shall continue in full force and effect for one year. This SOW7 will automatically renew for nine (9) successive one-year term unless terminated as defined in Section 10 herein. For purposes of this SOW7, “Contract Year” shall mean the 12-month period which commences on the first day of the month when the SOW7 is executed by the Owner and each successive 12-month period thereafter (hereinafter, “Contract Year” or collectively, “Contract Years”).
3. **Company’s Engagement and Responsibilities.** The services (collectively, “the Services”) that the Company will provide include the following:
 - a. The Tank shall receive Renovations, which will include: **an exterior renovation and interior renovation prior to the end of Contract Year 10.**
 - b. The Company will visually inspect the Tank in Contract Years 1,3,5,7 and 9. The Tank will be inspected to ensure that the structure is in a sound, watertight condition. The Company will provide a written inspection report to the Owner following each inspection. **A PDF format report will also be delivered to gjacobson@bradytx.us.**
 - c. In Contract Years 2,4,6 and 8, after the Tank is drained by the Owner, the Company will clean the interior of the Tank and perform a condition assessment on the Tank (hereinafter “Washout Inspection”). During each Washout Inspection, the Tank will be cleaned to remove all mud, silt, and other accumulations from the interior of the Tank. After a Washout Inspection is completed, the interior of the Tank will be thoroughly inspected and disinfected prior to returning the Tank to service; however, the Owner is responsible for draining and filling the Tank and conducting any required testing of the water before returning the Tank to service.
 - d. **Chemical Clean Service.**
 1. During the washout/inspections, the Company will apply an NSF 60 approved chemical cleaning agent to the interior walls and floor surfaces of the Tank to treat mineral build-up and bio-film that form on the interior tank surfaces.

- e. The Company will provide roof vent/overflow pipe screen and hatch gasket repairs when needed during the term of this SOW7.
- f. The Company will clean and repaint the exterior and interior of the Tank prior to the end of Contract Year 10. Only materials approved for use in potable water tanks will be used on any interior surface area. When interior or exterior painting of the Tank is needed, all products and procedures as to coating systems will be equal to or exceed the requirements of the **State of Texas** and the American Water Works Association's D102 standard in effect as of the Effective Date (defined hereinafter).
- g. When the Tank is taken out of service, the Company will furnish pressure relief valves, if requested by the Owner, so that the Owner can install the valves in its water system while the Tank is being serviced. The Owner assumes all risk and liability for the installation and use of the pressure relief valves.
- h. The Company will furnish the Owner with current certificates of insurance, which will summarize the Company's insurance coverage.

4. **Price/Annual Fees.** For the performance of the Services required by Section 3, the Owner shall pay the Company an Annual Fee (hereinafter, "Annual Fee") for each Contract Year of the SOW7. The ten **(10)** Annual Fees shall be **\$17,257.00** per Contract Year. All applicable taxes are the responsibility of the Owner and are in addition to the stated costs and fees in this SOW7. Please see Exhibit A – Projected Schedule of Work and Fees for further detail.

5. **Payment Terms.** The Annual Fee for Contract **Year 1**, plus all applicable taxes, shall be due and payable **within ninety (90) days of the Owner's execution of the SOW7. Each subsequent Annual Fee, plus all applicable taxes, shall be due and payable on the first day of each Contract Year thereafter. Invoicing will be billed on a quarterly schedule.** If the Annual Fee, plus all applicable taxes, are not paid within ninety (90) days of the date of invoice, the Company may charge the Owner a late fee on unpaid balances and may also terminate or suspend Services under this SOW7 without notice. The late fee will be 1.5% per month. Furthermore, if the Owner elects to terminate this contract prior to remitting the ten (10) annual fees, the balance for work completed as defined in the attached Exhibit B – Cancellation Fee Schedule, shall be due and payable within thirty (30) days of the Company's receipt of the Owner's Notice to Terminate.

6. **Changes or Delays to Services.** For purposes of this Section 6, "**Unreasonable Delay**" shall mean the Owner's delay in releasing the Tank or making the Tank available to the Company for the performance of any of the Services described herein for a period of **twenty-four (24) months following the Company's written request for release or access to the Tank.** In the event of Unreasonable Delay, the Company reserves the right to recover its reasonable costs related to the Unreasonable Delay, and the Owner agrees to negotiate with the Company in good faith to determine the amount of its reasonable costs caused by such Unreasonable Delay. Furthermore, the Owner hereby agrees that the parties can mutually verbally agree to replace a Washout Inspection of the Tank with a visual inspection, remotely operated vehicle inspection ("ROV Inspection"), or unmanned aerial vehicle inspection ("UAV Inspection") without requiring the modification of this SOW7.

7. Structure of Tank and Tank Site Conditions. The Company is accepting this Tank to maintain pursuant to the requirements of this SOW7 based upon its existing structure and components as of the Effective Date (defined hereinafter). ***Any modifications to the Tank, including antenna installations, shall be approved by the Company, prior to installation and may warrant an increase in the Annual Fees.*** In addition, changes in the condition of the Tank Site and/or any adjoining properties (e.g., construction of a mall next to the Tank Site which significantly increases the risk of overspray claims, etc.) following the Effective Date, which cause an increase in the cost of the maintenance of the Tank, will be just cause for an equitable adjustment of the Annual Fees in this SOW7.

8. Environmental, Health, Safety, Labor, or Industry Requirements. The Owner hereby agrees that the promulgation of, enactment of, or modification to any environmental, health, safety, or labor laws, regulations, orders, or ordinances (e.g., EPA or OSHA regulations or standards) following the Effective Date of this SOW7, which cause an increase in the cost of the maintenance of the Tank, will be just cause for an equitable adjustment of the Annual Fees in this SOW7. Furthermore, modifications to industry requirement(s) including, but not limited to, standard(s) or other guidance documents issued by the American Water Works Association, National Sanitary Foundation, and the Association for Materials Protection and Performance, which cause an increase in the cost of the maintenance of the Tank, will be just cause for an equitable adjustment of the Annual Fees in this SOW7. Said equitable adjustment of the Annual Fees in this SOW7 will reasonably reflect the increased cost of the Services with newly negotiated Annual Fee(s).

The Parties agree that the Company's Annual Fees are based on the Owner's representation that the work to be performed under this SOW7 are not subject to prevailing wage requirements. The Owner agrees to notify the Company immediately, if the Company's work is (or will become) subject to prevailing wage requirements, so that the Company may submit revised amounts for Annual Fees.

9. Excluded Items. This SOW7 does NOT include the cost for and/or liability on the part of the Company for: (i) containment of the Tank at any time during the term of the SOW7; except for the Exterior Containment in Contract Year 10; (ii) disposal of any hazardous waste materials; (iii) resolution of operational problems or structural damage due to cold weather; (iv) repair of structural damage due to antenna installations or other attachments for which the Tank was not originally designed; (v) resolution of operational problems or repair of structural damage or site damage caused by physical conditions below the surface of the ground; (vi) negligent acts of Owner's employees, agents or contractors; (vii) damages, whether foreseen or unforeseen, caused by the Owner's use of pressure relief valves; (viii) repairs to the foundation of the Tank; (ix) any latent defects or inaccessible areas of the Tank or its components (including, but not limited to, (a) corrosion from the underside of the floor plates, and (b) inaccessible areas of the Tank such as the area between the bottom of the roof plate and the top of the roof rafter); (x) the maintenance, repair or replacement of any electrical components (to include any lighting, such as aviation lights); (xi) the maintenance, repair or replacement of fill lines, insulation, and/or frost jackets; (xii) the maintenance, repair, or replacement of piping of any kind below ground level; and (xiii) other conditions which are beyond the Owner's and Company's control, including, but not limited to: acts of God and acts of terrorism. Acts of God include, but are not limited to, any damage to the Tank or Tank Site which is caused by seismic activity, hurricanes, and/or tornadoes. Acts of terrorism include, but are not limited to, any damage to the Tank or Tank Site which results from an

unauthorized entry of any kind to the Tank or Tank Site.

10. **Termination.** This SOW7 is an annual contract that shall automatically renew on an annual basis for nine (9) successive Contract Years so long as: (i) the Owner pays each Annual Fee to the Company in accordance with the terms herein and (ii) does not terminate the SOW7 pursuant to the terms of this Section. This SOW7 is subject to termination by the Owner only at the end of the then-current Contract Year if written notice of intent to terminate is received by the Company at least ninety (90) days prior to the first day of the upcoming Contract Year. If the notice of intent to terminate is not received at least ninety (90) days prior to the first day of the upcoming Contract Year, this SOW7 shall renew for an additional Contract Year and expire at the end of the upcoming Contract Year. In such an event, the Owner agrees that it shall be responsible to pay the Annual Fee for the upcoming Contract Year. The notice of intent to terminate must be sent by certified mail, with return receipt requested, to Utility Service Co., Inc., Attention: Customer Service, Post Office Box 1350, Perry, Georgia 31069, and signed by three (3) authorized voting officials of the Owner's governing body (e.g., commission or council). Notice of intent to terminate cannot be delivered electronically or verbally (e.g., email, text, phone call, etc.). The Owner acknowledges and agrees that the Company has advanced Services to the Owner, and the Company has not received full payment for the Services previously performed. Therefore, if the Owner elects to terminate this SOW7 prior to remitting the ten (10) Annual Fees, then the unpaid balance of the first ten (10) Annual Fees for services rendered shall be due and payable within thirty (30) days of the Owner's issuance of the notice of intent to terminate at the end of the then-current Contract Year.
11. **Excessive Inflation.** In the event that the aggregate of the Annual Inflation Rates (defined hereinbelow) established for two (2) consecutive calendar years during the term of this SOW7 exceeds 8% in total, the Owner and the Company agree to renegotiate the Annual Fees and increase the Annual Fees throughout the remaining term of this SOW7 to compensate the Company for the excessive inflation. For purposes of this provision, the Annual Inflation Rate for each calendar year shall be established by the *Engineering News Report – Construction Cost Index (“ENR-CCI”)*. Company will provide Owner with data from the ENR-CCI at the time of renegotiation. In the event that the ENR-CCI index is discontinued, the Owner and the Company will negotiate and agree to an alternative index or methodology to address the excessive inflation. For illustrative purposes, if a SOW is executed in 2022, the first equitable adjustment could not be made until both the 2023 inflation rate and the 2024 inflation rate have been established. If the annual inflation rates for 2023 and 2024 are 5.0% and 3.1%, respectively, the Owner and the Company agree to renegotiate the current year's Annual Fee as well as the remaining Annual Fees for the remainder of the term of the SOW to address the excessive inflation.

The SOW7 is executed and effective as of the date last signed by the parties below.

OWNER

City of Brady

By: _____

Name: _____

Title: _____

Date: _____

COMPANY

Utility Service Co., Inc.

By:  _____

Name: Jonathan Cato

Title: Chief Operating Officer

Date: September 28, 2023

EXHIBIT A

Projected Schedule of Work and Fees

Fee Schedule				
FY2024	FY2025	FY2026	FY2027	FY2028
VISUAL	CHEMICAL CLEAN/WASHOUT	VISUAL	CHEMICAL CLEAN/WASHOUT	VISUAL
\$ 17,257	\$ 17,257	\$ 17,257	\$ 17,257	\$ 17,257
FY2029	FY2030	FY2031	FY2032	FY2033
CHEMICAL CLEAN/WASHOUT	VISUAL	CHEMICAL CLEAN/WASHOUT	VISUAL	EXTERIOR/INTERIOR PAINT
\$ 17,257	\$ 17,257	\$ 17,257	\$ 17,257	\$ 17,257

EXHIBIT B

Cancellation Fee Schedule

Year	1	2	3	4	5
Well Tank 4	\$0	\$0	\$0	\$0	\$0

Year	6	7	8	9	10
Well Tank 4	\$0	\$0	\$0	\$0	\$0

SCOPE OF WORK NO. 8
TO THE MASTER SERVICES AGREEMENT BETWEEN
UTILITY SERVICE CO., INC.
AND
CITY OF BRADY, TX

CONTRACT FOR SERVICES– 250,000 GALLON G.S.T. - WELL NO. 5 STEEL TANK

1. **Effective Date.** The Effective Date for this Scope of Work No.8 (“SOW8”) shall be _____, 20____ .
2. **Term.** The Owner agrees to engage the Company to provide the professional service needed to maintain its 250,000 gallon water storage tank located at 411 W. China Street, Brady, TX 76825 (hereinafter “tank”). This SOW8 shall commence on the Effective Date and shall continue in full force and effect for one year. This SOW8 will automatically renew for nine (9) successive one-year term unless terminated as defined in Section 10 herein. For purposes of this SOW8, “Contract Year” shall mean the 12-month period which commences on the first day of the month when the SOW8 is executed by the Owner and each successive 12-month period thereafter (hereinafter, “Contract Year” or collectively, “Contract Years”).
3. **Company’s Engagement and Responsibilities.** The services (collectively, “the Services”) that the Company will provide include the following:
 - a. The Company will visually inspect the Tank in Contract Years 1,3,5,7 and 9. The Tank will be inspected to ensure that the structure is in a sound, watertight condition. The Company will provide a written inspection report to the Owner following each inspection. **A PDF format report will also be delivered to gjacobson@bradytx.us.**
 - b. In Contract Years 2,4,6,8 and 10 after the Tank is drained by the Owner, the Company will clean the interior of the Tank and perform a condition assessment on the Tank (hereinafter “Washout Inspection”). During each Washout Inspection, the Tank will be cleaned to remove all mud, silt, and other accumulations from the interior of the Tank. After a Washout Inspection is completed, the interior of the Tank will be thoroughly inspected and disinfected prior to returning the Tank to service; however, the Owner is responsible for draining and filling the Tank and conducting any required testing of the water before returning the Tank to service.
 - c. **Chemical Clean Service.**
 1. During the washout/inspections, the Company will apply an NSF 60 approved chemical cleaning agent to the interior walls and floor surfaces of the Tank to treat mineral build-up and bio-film that form on the interior tank surfaces.
 - d. The Company will provide roof vent/overflow pipe screen and hatch gasket repairs when needed during the term of this SOW8.
 - e. When the Tank is taken out of service, the Company will furnish pressure relief valves, if requested by the Owner, so that the Owner can

install the valves in its water system while the Tank is being serviced. The Owner assumes all risk and liability for the installation and use of the pressure relief valves.

f. The Company will furnish the Owner with current certificates of insurance, which will summarize the Company's insurance coverage.

4. **Price/Annual Fees.** For the performance of the Services required by Section 3, the Owner shall pay the Company an Annual Fee (hereinafter, "Annual Fee") for each Contract Year of the SOW8. The ten (10) Annual Fees shall be **\$3,196.00** per Contract Year. All applicable taxes are the responsibility of the Owner and are in addition to the stated costs and fees in this SOW8. Please see Exhibit A – Projected Schedule of Work and Fees for further detail.
5. **Payment Terms.** The Annual Fee for Contract Year 1, plus all applicable taxes, shall be due and payable **within ninety (90) days of the Owner's execution of the SOW8. Each subsequent Annual Fee, plus all applicable taxes, shall be due and payable on the first day of each Contract Year thereafter. Invoicing will be billed on a quarterly schedule.** If the Annual Fee, plus all applicable taxes, are not paid within ninety (90) days of the date of invoice, the Company may charge the Owner a late fee on unpaid balances and may also terminate or suspend Services under this SOW8 without notice. The late fee will be 1.5% per month. Furthermore, if the Owner elects to terminate this contract prior to remitting the ten (10) annual fees, the balance for work completed as defined in the attached Exhibit B – Cancellation Fee Schedule, shall be due and payable within thirty (30) days of the Company's receipt of the Owner's Notice to Terminate.
6. **Changes or Delays to Services.** For purposes of this Section 6, "Unreasonable Delay" shall mean the Owner's delay in releasing the Tank or making the Tank available to the Company for the performance of any of the Services described herein for a period of twenty-four (24) months following the Company's written request for release or access to the Tank. In the event of Unreasonable Delay, the Company reserves the right to recover its reasonable costs related to the Unreasonable Delay, and the Owner agrees to negotiate with the Company in good faith to determine the amount of its reasonable costs caused by such Unreasonable Delay. Furthermore, the Owner hereby agrees that the parties can mutually verbally agree to replace a Washout Inspection of the Tank with a visual inspection, remotely operated vehicle inspection ("ROV Inspection"), or unmanned aerial vehicle inspection ("UAV Inspection") without requiring the modification of this SOW8.
7. **Structure of Tank and Tank Site Conditions.** The Company is accepting this Tank to maintain pursuant to the requirements of this SOW8 based upon its existing structure and components as of the Effective Date (defined hereinafter). **Any modifications to the Tank, including antenna installations, shall be approved by the Company, prior to installation and may warrant an increase in the Annual Fees.** In addition, changes in the condition of the Tank Site and/or any adjoining properties (e.g., construction of a mall next to the Tank Site which significantly increases the risk of overspray claims, etc.) following the Effective Date, which cause an increase in the cost of the maintenance of the Tank, will be just cause for an equitable adjustment of the Annual Fees in this SOW8.
8. **Environmental, Health, Safety, Labor, or Industry Requirements.** The Owner hereby agrees that the promulgation of, enactment of, or modification to any

environmental, health, safety, or labor laws, regulations, orders, or ordinances (e.g., EPA or OSHA regulations or standards) following the Effective Date of this SOW8, which cause an increase in the cost of the maintenance of the Tank, will be just cause for an equitable adjustment of the Annual Fees in this SOW8. Furthermore, modifications to industry requirement(s) including, but not limited to, standard(s) or other guidance documents issued by the American Water Works Association, National Sanitary Foundation, and the Association for Materials Protection and Performance, which cause an increase in the cost of the maintenance of the Tank, will be just cause for an equitable adjustment of the Annual Fees in this SOW8. Said equitable adjustment of the Annual Fees in this SOW8 will reasonably reflect the increased cost of the Services with newly negotiated Annual Fee(s).

The Parties agree that the Company's Annual Fees are based on the Owner's representation that the work to be performed under this SOW8 are not subject to prevailing wage requirements. The Owner agrees to notify the Company immediately, if the Company's work is (or will become) subject to prevailing wage requirements, so that the Company may submit revised amounts for Annual Fees.

9. **Excluded Items.** This SOW8 does NOT include the cost for and/or liability on the part of the Company for: (i) containment of the Tank at any time during the term of the SOW8; (ii) disposal of any hazardous waste materials; (iii) resolution of operational problems or structural damage due to cold weather; (iv) repair of structural damage due to antenna installations or other attachments for which the Tank was not originally designed; (v) resolution of operational problems or repair of structural damage or site damage caused by physical conditions below the surface of the ground; (vi) negligent acts of Owner's employees, agents or contractors; (vii) damages, whether foreseen or unforeseen, caused by the Owner's use of pressure relief valves; (viii) repairs to the foundation of the Tank; (ix) any latent defects or inaccessible areas of the Tank or its components (including, but not limited to, (a) corrosion from the underside of the floor plates, and (b) inaccessible areas of the Tank such as the area between the bottom of the roof plate and the top of the roof rafter); (x) the maintenance, repair or replacement of any electrical components (to include any lighting, such as aviation lights); (xi) the maintenance, repair or replacement of fill lines, insulation, and/or frost jackets; (xii) the maintenance, repair, or replacement of piping of any kind below ground level; and (xiii) other conditions which are beyond the Owner's and Company's control, including, but not limited to: acts of God and acts of terrorism. Acts of God include, but are not limited to, any damage to the Tank or Tank Site which is caused by seismic activity, hurricanes, and/or tornadoes. Acts of terrorism include, but are not limited to, any damage to the Tank or Tank Site which results from an unauthorized entry of any kind to the Tank or Tank Site.
10. **Termination.** This SOW8 is an annual contract that shall automatically renew on an annual basis for nine (9) successive Contract Years so long as: (i) the Owner pays each Annual Fee to the Company in accordance with the terms herein and (ii) does not terminate the SOW8 pursuant to the terms of this Section. This SOW8 is subject to termination by the Owner only at the end of the then-current Contract Year if written notice of intent to terminate is received by the Company at least ninety (90) days prior to the first day of the upcoming Contract Year. If the notice of intent to terminate is not received at least ninety (90) days prior to the first day of the upcoming Contract Year, this SOW8 shall renew for an additional Contract Year and expire at the end of the upcoming Contract Year. In such an event, the Owner agrees that it shall be responsible to pay the

Annual Fee for the upcoming Contract Year. The notice of intent to terminate must be sent by certified mail, with return receipt requested, to Utility Service Co., Inc., Attention: Customer Service, Post Office Box 1350, Perry, Georgia 31069, and signed by three (3) authorized voting officials of the Owner's governing body (e.g., commission or council). Notice of intent to terminate cannot be delivered electronically or verbally (e.g., email, text, phone call, etc.). The Owner acknowledges and agrees that the Company has advanced Services to the Owner, and the Company has not received full payment for the Services previously performed. Therefore, if the Owner elects to terminate this SOW8 prior to remitting the ten (10) Annual Fees, then the unpaid balance of the first ten (10) Annual Fees for services rendered shall be due and payable within thirty (30) days of the Owner's issuance of the notice of intent to terminate at the end of the then-current Contract Year.

11. **Excessive Inflation.** In the event that the aggregate of the Annual Inflation Rates (defined hereinbelow) established for two (2) consecutive calendar years during the term of this SOW8 exceeds 8% in total, the Owner and the Company agree to renegotiate the Annual Fees and increase the Annual Fees throughout the remaining term of this SOW8 to compensate the Company for the excessive inflation. For purposes of this provision, the Annual Inflation Rate for each calendar year shall be established by the *Engineering News Report – Construction Cost Index (“ENR-CCI”)*. Company will provide Owner with data from the ENR-CCI at the time of renegotiation. In the event that the ENR-CCI index is discontinued, the Owner and the Company will negotiate and agree to an alternative index or methodology to address the excessive inflation. For illustrative purposes, if a SOW is executed in 2022, the first equitable adjustment could not be made until both the 2023 inflation rate and the 2024 inflation rate have been established. If the annual inflation rates for 2023 and 2024 are 5.0% and 3.1%, respectively, the Owner and the Company agree to renegotiate the current year's Annual Fee as well as the remaining Annual Fees for the remainder of the term of the SOW to address the excessive inflation.

The SOW8 is executed and effective as of the date last signed by the parties below.

OWNER

City of Brady

By: _____

Name: _____

Title: _____

Date: _____

COMPANY

Utility Service Co., Inc.

By: _____


Name: Jonathan Cato

Title: Chief Operating Officer

Date: September 28, 2023

EXHIBIT A

Projected Schedule of Work and Fees

Fee Schedule				
FY2024	FY2025	FY2026	FY2027	FY2028
VISUAL	CHEMICAL CLEAN/WASHOUT	VISUAL	CHEMICAL CLEAN/WASHOUT	VISUAL
\$ 3,196	\$ 3,196	\$ 3,196	\$ 3,196	\$ 3,196
FY2029	FY2030	FY2031	FY2032	FY2033
CHEMICAL CLEAN/WASHOUT	VISUAL	CHEMICAL CLEAN/WASHOUT	VISUAL	CHEMICAL CLEAN/WASHOUT
\$ 3,196	\$ 3,196	\$ 3,196	\$ 3,196	\$ 3,196

EXHIBIT B

Cancellation Fee Schedule

Year	1	2	3	4	5
WELL TANK 5	\$0	\$0	\$0	\$0	\$0

Year	6	7	8	9	10
WELL TANK 5	\$0	\$	\$0	\$0	\$0

SCOPE OF WORK NO. 9
TO THE MASTER SERVICES AGREEMENT BETWEEN
UTILITY SERVICE CO., INC.
AND
CITY OF BRADY, TX

CONTRACT FOR SERVICES – 200,000 GALLON STP - RAW WTP TANK

1. **Effective Date.** The Effective Date for this Scope of Work No.9 (“SOW9”) shall be _____, 20____ .
2. **Term.** The Owner agrees to engage the Company to provide the professional service needed to maintain its 200,000 gallon water storage tank located at 3630 West 17th Street, Brady, TX 76825 (hereinafter “tank”). This SOW9 shall commence on the Effective Date and shall continue in full force and effect for one year. This SOW9 will automatically renew for nine (9) successive one-year term unless terminated as defined in Section 10 herein. For purposes of this SOW9, “Contract Year” shall mean the 12-month period which commences on the first day of the month when the SOW9 is executed by the Owner and each successive 12-month period thereafter (hereinafter, “Contract Year” or collectively, “Contract Years”).
3. **Company’s Engagement and Responsibilities.** The services (collectively, “the Services”) that the Company will provide include the following:
 - a. The Company will visually inspect the Tank in Contract Years 1,2,3,4,5,6,7,8,9 and 10. The Tank will be inspected to ensure that the structure is in a sound, watertight condition. The Company will provide a written inspection report to the Owner following each inspection. **A PDF format report will also be delivered to gjacobson@bradytx.us.**
 - b. The Company will provide roof vent/overflow pipe screen and hatch gasket repairs when needed during the term of this SOW9.
 - c. When the Tank is taken out of service, the Company will furnish pressure relief valves, if requested by the Owner, so that the Owner can install the valves in its water system while the Tank is being serviced. The Owner assumes all risk and liability for the installation and use of the pressure relief valves.
 - d. The Company will furnish the Owner with current certificates of insurance, which will summarize the Company’s insurance coverage.
4. **Price/Annual Fees.** For the performance of the Services required by Section 3, the Owner shall pay the Company an Annual Fee (hereinafter, “Annual Fee”) for each Contract Year of the SOW9. The ten **(10)** Annual Fees shall be **\$1,680.00** per Contract Year. All applicable taxes are the responsibility of the Owner and are in addition to the stated costs and fees in this SOW9. Please see Exhibit A – Projected Schedule of Work and Fees for further detail.

5. **Payment Terms.** The Annual Fee for Contract Year 1, plus all applicable taxes, shall be due and payable **within ninety (90) days of the Owner's execution of the SOW9. Each subsequent Annual Fee, plus all applicable taxes, shall be due and payable on the first day of each Contract Year thereafter. Invoicing will be billed on a quarterly schedule.** If the Annual Fee, plus all applicable taxes, are not paid within ninety (90) days of the date of invoice, the Company may charge the Owner a late fee on unpaid balances and may also terminate or suspend Services under this SOW9 without notice. The late fee will be 1.5% per month. Furthermore, if the Owner elects to terminate this contract prior to remitting the ten (10) annual fees, the balance for work completed as defined in the attached Exhibit B – Cancellation Fee Schedule, shall be due and payable within thirty (30) days of the Company's receipt of the Owner's Notice to Terminate.
6. **Changes or Delays to Services.** For purposes of this Section 6, "Unreasonable Delay" shall mean the Owner's delay in releasing the Tank or making the Tank available to the Company for the performance of any of the Services described herein for a period of twenty-four (24) months following the Company's written request for release or access to the Tank. In the event of Unreasonable Delay, the Company reserves the right to recover its reasonable costs related to the Unreasonable Delay, and the Owner agrees to negotiate with the Company in good faith to determine the amount of its reasonable costs caused by such Unreasonable Delay. Furthermore, the Owner hereby agrees that the parties can mutually verbally agree to replace a Washout Inspection of the Tank with a visual inspection, remotely operated vehicle inspection ("ROV Inspection"), or unmanned aerial vehicle inspection ("UAV Inspection") without requiring the modification of this SOW9.
7. **Structure of Tank and Tank Site Conditions.** The Company is accepting this Tank to maintain pursuant to the requirements of this SOW9 based upon its existing structure and components as of the Effective Date (defined hereinafter). **Any modifications to the Tank, including antenna installations, shall be approved by the Company, prior to installation and may warrant an increase in the Annual Fees.** In addition, changes in the condition of the Tank Site and/or any adjoining properties (e.g., construction of a mall next to the Tank Site which significantly increases the risk of overspray claims, etc.) following the Effective Date, which cause an increase in the cost of the maintenance of the Tank, will be just cause for an equitable adjustment of the Annual Fees in this SOW9.
8. **Environmental, Health, Safety, Labor, or Industry Requirements.** The Owner hereby agrees that the promulgation of, enactment of, or modification to any environmental, health, safety, or labor laws, regulations, orders, or ordinances (e.g., EPA or OSHA regulations or standards) following the Effective Date of this SOW9, which cause an increase in the cost of the maintenance of the Tank, will be just cause for an equitable adjustment of the Annual Fees in this SOW9. Furthermore, modifications to industry requirement(s) including, but not limited to, standard(s) or other guidance documents issued by the American Water Works Association, National Sanitary Foundation, and the Association for Materials Protection and Performance, which cause an increase in the cost of the maintenance of the Tank, will be just cause for an equitable adjustment of the Annual Fees in this SOW9. Said equitable adjustment of the Annual Fees in this SOW9 will reasonably reflect the increased cost of the Services with newly negotiated Annual Fee(s).

The Parties agree that the Company's Annual Fees are based on the Owner's representation that the work to be performed under this SOW9 are not subject to

prevailing wage requirements. The Owner agrees to notify the Company immediately, if the Company's work is (or will become) subject to prevailing wage requirements, so that the Company may submit revised amounts for Annual Fees.

9. **Excluded Items.** This SOW9 does NOT include the cost for and/or liability on the part of the Company for: (i) containment of the Tank at any time during the term of the SOW9; (ii) disposal of any hazardous waste materials; (iii) resolution of operational problems or structural damage due to cold weather; (iv) repair of structural damage due to antenna installations or other attachments for which the Tank was not originally designed; (v) resolution of operational problems or repair of structural damage or site damage caused by physical conditions below the surface of the ground; (vi) negligent acts of Owner's employees, agents or contractors; (vii) damages, whether foreseen or unforeseen, caused by the Owner's use of pressure relief valves; (viii) repairs to the foundation of the Tank; (ix) any latent defects or inaccessible areas of the Tank or its components (including, but not limited to, (a) corrosion from the underside of the floor plates, and (b) inaccessible areas of the Tank such as the area between the bottom of the roof plate and the top of the roof rafter); (x) the maintenance, repair or replacement of any electrical components (to include any lighting, such as aviation lights); (xi) the maintenance, repair or replacement of fill lines, insulation, and/or frost jackets; (xii) the maintenance, repair, or replacement of piping of any kind below ground level; and (xiii) other conditions which are beyond the Owner's and Company's control, including, but not limited to: acts of God and acts of terrorism. Acts of God include, but are not limited to, any damage to the Tank or Tank Site which is caused by seismic activity, hurricanes, and/or tornadoes. Acts of terrorism include, but are not limited to, any damage to the Tank or Tank Site which results from an unauthorized entry of any kind to the Tank or Tank Site.

10. **Termination.** This SOW9 is an annual contract that shall automatically renew on an annual basis for nine (9) successive Contract Years so long as: (i) the Owner pays each Annual Fee to the Company in accordance with the terms herein and (ii) does not terminate the SOW9 pursuant to the terms of this Section. This SOW9 is subject to termination by the Owner only at the end of the then-current Contract Year if written notice of intent to terminate is received by the Company at least ninety (90) days prior to the first day of the upcoming Contract Year. If the notice of intent to terminate is not received at least ninety (90) days prior to the first day of the upcoming Contract Year, this SOW9 shall renew for an additional Contract Year and expire at the end of the upcoming Contract Year. In such an event, the Owner agrees that it shall be responsible to pay the Annual Fee for the upcoming Contract Year. The notice of intent to terminate must be sent by certified mail, with return receipt requested, to Utility Service Co., Inc., Attention: Customer Service, Post Office Box 1350, Perry, Georgia 31069, and signed by three (3) authorized voting officials of the Owner's governing body (e.g., commission or council). Notice of intent to terminate cannot be delivered electronically or verbally (e.g., email, text, phone call, etc.). The Owner acknowledges and agrees that the Company has advanced Services to the Owner, and the Company has not received full payment for the Services previously performed. Therefore, if the Owner elects to terminate this SOW9 prior to remitting the ten (10) Annual Fees, then the unpaid balance of the first ten (10) Annual Fees for services rendered shall be due and payable within thirty (30) days of the Owner's issuance of the notice of intent to terminate at the end of the then-current Contract Year.

11. **Excessive Inflation.** In the event that the aggregate of the Annual Inflation Rates

(defined hereinbelow) established for two (2) consecutive calendar years during the term of this SOW9 exceeds 8% in total, the Owner and the Company agree to renegotiate the Annual Fees and increase the Annual Fees throughout the remaining term of this SOW9 to compensate the Company for the excessive inflation. For purposes of this provision, the Annual Inflation Rate for each calendar year shall be established by the *Engineering News Report – Construction Cost Index (“ENR-CCI”)*. Company will provide Owner with data from the ENR-CCI at the time of renegotiation. In the event that the ENR-CCI index is discontinued, the Owner and the Company will negotiate and agree to an alternative index or methodology to address the excessive inflation. For illustrative purposes, if a SOW is executed in 2022, the first equitable adjustment could not be made until both the 2023 inflation rate and the 2024 inflation rate have been established. If the annual inflation rates for 2023 and 2024 are 5.0% and 3.1%, respectively, the Owner and the Company agree to renegotiate the current year’s Annual Fee as well as the remaining Annual Fees for the remainder of the term of the SOW to address the excessive inflation.

The SOW9 is executed and effective as of the date last signed by the parties below.

OWNER

City of Brady

By: _____

Name: _____

Title: _____

Date: _____

COMPANY

Utility Service Co., Inc.

By:  _____

Name: Jonathan Cato

Title: Chief Operating Officer

Date: September 28, 2023

EXHIBIT A

Projected Schedule of Work and Fees

Fee Schedule				
FY2024	FY2025	FY2026	FY2027	FY2028
VISUAL	VISUAL	VISUAL	VISUAL	VISUAL
\$ 1,680	\$ 1,680	\$ 1,680	\$ 1,680	\$ 1,680
FY2029	FY2030	FY2031	FY2032	FY2033
VISUAL	VISUAL	VISUAL	VISUAL	VISUAL
\$ 1,680	\$ 1,680	\$ 1,680	\$ 1,680	\$ 1,680

EXHIBIT B

Cancellation Fee Schedule

Year	1	2	3	4	5
RAW WTP	\$0	\$0	\$0	\$0	\$0

Year	6	7	8	9	10
RAW WTP	\$0	\$	\$0	\$0	\$0

SCOPE OF WORK NO. 10
TO THE MASTER SERVICES AGREEMENT BETWEEN
UTILITY SERVICE CO., INC.
AND
CITY OF BRADY, TX

CONTRACT FOR SERVICES – 1,000,000 GALLON G.S.T. - FM 2028 GST TANK

1. **Effective Date.** The Effective Date for this Scope of Work No.10 (“SOW10”) shall be _____, 20____ .
2. **Term.** The Owner agrees to engage the Company to provide the professional service needed to maintain its 1,000,000 gallon water storage tank located at 3630 West 17th Street, Brady, TX 76825 (hereinafter “tank”). This SOW10 shall commence on the Effective Date and shall continue in full force and effect for one year. This SOW10 will automatically renew for nine (9) successive one-year term unless terminated as defined in Section 10 herein. For purposes of this SOW10, “Contract Year” shall mean the 12-month period which commences on the first day of the month when the SOW10 is executed by the Owner and each successive 12-month period thereafter (hereinafter, “Contract Year” or collectively, “Contract Years”).
3. **Company’s Engagement and Responsibilities.** The services (collectively, “the Services”) that the Company will provide include the following:
 - a. The Tank shall receive Renovations, which will include: **an exterior renovation prior to the end of Contract Year 4.**
 - b. The Company will visually inspect the Tank in Contract Years 1,3,5,7 and 9. The Tank will be inspected to ensure that the structure is in a sound, watertight condition. The Company will provide a written inspection report to the Owner following each inspection. **A PDF format report will also be delivered to gjacobson@bradytx.us.**
 - c. In Contract Years 2,6,8 and 10, after the Tank is drained by the Owner, the Company will clean the interior of the Tank and perform a condition assessment on the Tank (hereinafter “Washout Inspection”). During each Washout Inspection, the Tank will be cleaned to remove all mud, silt, and other accumulations from the interior of the Tank. After a Washout Inspection is completed, the interior of the Tank will be thoroughly inspected and disinfected prior to returning the Tank to service; however, the Owner is responsible for draining and filling the Tank and conducting any required testing of the water before returning the Tank to service.
 - d. **Chemical Clean Service.**
 1. During the washout/inspections, the Company will apply an NSF 60 approved chemical cleaning agent to the interior walls and floor surfaces of the Tank to treat mineral build-up and bio-film that form on the interior tank surfaces.

- e. The Company will provide roof vent/overflow pipe screen and hatch gasket repairs when needed during the term of this SOW10.
- f. The Company will clean and repaint the exterior of the Tank prior to the end of Contract Year 4. When interior or exterior painting of the Tank is needed, all products and procedures as to coating systems will be equal to or exceed the requirements of the **State of Texas** and the American Water Works Association's D102 standard in effect as of the Effective Date (defined hereinafter).
- g. When the Tank is taken out of service, the Company will furnish pressure relief valves, if requested by the Owner, so that the Owner can install the valves in its water system while the Tank is being serviced. The Owner assumes all risk and liability for the installation and use of the pressure relief valves.
- h. The Company will furnish the Owner with current certificates of insurance, which will summarize the Company's insurance coverage.

4. Price/Annual Fees. For the performance of the Services required by Section 3, the Owner shall pay the Company an Annual Fee (hereinafter, "Annual Fee") for each Contract Year of the SOW10. The ten (**10**) Annual Fees shall be **\$16,764.00** per Contract Year. All applicable taxes are the responsibility of the Owner and are in addition to the stated costs and fees in this SOW10. Please see Exhibit A – Projected Schedule of Work and Fees for further detail.

5. Payment Terms. The Annual Fee for Contract Year 1, plus all applicable taxes, shall be due and payable **within ninety (90) days of the Owner's execution of the SOW10. Each subsequent Annual Fee, plus all applicable taxes, shall be due and payable on the first day of each Contract Year thereafter. Invoicing will be billed on a quarterly schedule.** If the Annual Fee, plus all applicable taxes, are not paid within ninety (90) days of the date of invoice, the Company may charge the Owner a late fee on unpaid balances and may also terminate or suspend Services under this SOW10 without notice. The late fee will be 1.5% per month. Furthermore, if the Owner elects to terminate this contract prior to remitting the ten (10) annual fees, the balance for work completed as defined in the attached Exhibit B – Cancellation Fee Schedule, shall be due and payable within thirty (30) days of the Company's receipt of the Owner's Notice to Terminate.

6. Changes or Delays to Services. For purposes of this Section 6, "**Unreasonable Delay**" shall mean the Owner's delay in releasing the Tank or making the Tank available to the Company for the performance of any of the Services described herein for a period of **twenty-four (24) months following the Company's written request for release or access to the Tank.** In the event of Unreasonable Delay, the Company reserves the right to recover its reasonable costs related to the Unreasonable Delay, and the Owner agrees to negotiate with the Company in good faith to determine the amount of its reasonable costs caused by such Unreasonable Delay. Furthermore, the Owner hereby agrees that the parties can mutually verbally agree to replace a Washout Inspection of the Tank with a visual inspection, remotely operated vehicle inspection ("ROV Inspection"), or unmanned aerial vehicle inspection ("UAV Inspection") without requiring the modification of this SOW10.

7. Structure of Tank and Tank Site Conditions. The Company is accepting this Tank to maintain pursuant to the requirements of this SOW10 based upon its existing structure and components as of the Effective Date (defined hereinafter). **Any modifications to**

the Tank, including antenna installations, shall be approved by the Company, prior to installation and may warrant an increase in the Annual Fees. In addition, changes in the condition of the Tank Site and/or any adjoining properties (e.g., construction of a mall next to the Tank Site which significantly increases the risk of overspray claims, etc.) following the Effective Date, which cause an increase in the cost of the maintenance of the Tank, will be just cause for an equitable adjustment of the Annual Fees in this SOW10.

8. **Environmental, Health, Safety, Labor, or Industry Requirements.** The Owner hereby agrees that the promulgation of, enactment of, or modification to any environmental, health, safety, or labor laws, regulations, orders, or ordinances (e.g., EPA or OSHA regulations or standards) following the Effective Date of this SOW10, which cause an increase in the cost of the maintenance of the Tank, will be just cause for an equitable adjustment of the Annual Fees in this SOW10. Furthermore, modifications to industry requirement(s) including, but not limited to, standard(s) or other guidance documents issued by the American Water Works Association, National Sanitary Foundation, and the Association for Materials Protection and Performance, which cause an increase in the cost of the maintenance of the Tank, will be just cause for an equitable adjustment of the Annual Fees in this SOW10. Said equitable adjustment of the Annual Fees in this SOW10 will reasonably reflect the increased cost of the Services with newly negotiated Annual Fee(s).

The Parties agree that the Company's Annual Fees are based on the Owner's representation that the work to be performed under this SOW10 are not subject to prevailing wage requirements. The Owner agrees to notify the Company immediately, if the Company's work is (or will become) subject to prevailing wage requirements, so that the Company may submit revised amounts for Annual Fees.

9. **Excluded Items.** This SOW10 does NOT include the cost for and/or liability on the part of the Company for: (i) containment of the Tank at any time during the term of the SOW10; except for the Exterior Containment in Contract Year 4; (ii) disposal of any hazardous waste materials; (iii) resolution of operational problems or structural damage due to cold weather; (iv) repair of structural damage due to antenna installations or other attachments for which the Tank was not originally designed; (v) resolution of operational problems or repair of structural damage or site damage caused by physical conditions below the surface of the ground; (vi) negligent acts of Owner's employees, agents or contractors; (vii) damages, whether foreseen or unforeseen, caused by the Owner's use of pressure relief valves; (viii) repairs to the foundation of the Tank; (ix) any latent defects or inaccessible areas of the Tank or its components (including, but not limited to, (a) corrosion from the underside of the floor plates, and (b) inaccessible areas of the Tank such as the area between the bottom of the roof plate and the top of the roof rafter); (x) the maintenance, repair or replacement of any electrical components (to include any lighting, such as aviation lights); (xi) the maintenance, repair or replacement of fill lines, insulation, and/or frost jackets; (xii) the maintenance, repair, or replacement of piping of any kind below ground level; and (xiii) other conditions which are beyond the Owner's and Company's control, including, but not limited to: acts of God and acts of terrorism. Acts of God include, but are not limited to, any damage to the Tank or Tank Site which is caused by seismic activity, hurricanes, and/or tornadoes. Acts of terrorism include, but are not limited to, any damage to the Tank or Tank Site which results from an unauthorized entry of any kind to the Tank or Tank Site.

10. **Termination.** This SOW10 is an annual contract that shall automatically renew on an annual basis for nine (9) successive Contract Years so long as: (i) the Owner pays each Annual Fee to the Company in accordance with the terms herein and (ii) does not terminate the SOW10 pursuant to the terms of this Section. This SOW10 is subject to termination by the Owner only at the end of the then-current Contract Year if written notice of intent to terminate is received by the Company at least ninety (90) days prior to the first day of the upcoming Contract Year. If the notice of intent to terminate is not received at least ninety (90) days prior to the first day of the upcoming Contract Year, this SOW10 shall renew for an additional Contract Year and expire at the end of the upcoming Contract Year. In such an event, the Owner agrees that it shall be responsible to pay the Annual Fee for the upcoming Contract Year. The notice of intent to terminate must be sent by certified mail, with return receipt requested, to Utility Service Co., Inc., Attention: Customer Service, Post Office Box 1350, Perry, Georgia 31069, and signed by three (3) authorized voting officials of the Owner's governing body (e.g., commission or council). Notice of intent to terminate cannot be delivered electronically or verbally (e.g., email, text, phone call, etc.). The Owner acknowledges and agrees that the Company has advanced Services to the Owner, and the Company has not received full payment for the Services previously performed. Therefore, if the Owner elects to terminate this SOW10 prior to remitting the ten (10) Annual Fees, then the unpaid balance of the first ten (10) Annual Fees for services rendered shall be due and payable within thirty (30) days of the Owner's issuance of the notice of intent to terminate at the end of the then-current Contract Year.
11. **Excessive Inflation.** In the event that the aggregate of the Annual Inflation Rates (defined hereinbelow) established for two (2) consecutive calendar years during the term of this SOW10 exceeds 8% in total, the Owner and the Company agree to renegotiate the Annual Fees and increase the Annual Fees throughout the remaining term of this SOW10 to compensate the Company for the excessive inflation. For purposes of this provision, the Annual Inflation Rate for each calendar year shall be established by the *Engineering News Report – Construction Cost Index (“ENR-CCI”)*. Company will provide Owner with data from the ENR-CCI at the time of renegotiation. In the event that the ENR-CCI index is discontinued, the Owner and the Company will negotiate and agree to an alternative index or methodology to address the excessive inflation. For illustrative purposes, if a SOW is executed in 2022, the first equitable adjustment could not be made until both the 2023 inflation rate and the 2024 inflation rate have been established. If the annual inflation rates for 2023 and 2024 are 5.0% and 3.1%, respectively, the Owner and the Company agree to renegotiate the current year's Annual Fee as well as the remaining Annual Fees for the remainder of the term of the SOW to address the excessive inflation.

The SOW10 is executed and effective as of the date last signed by the parties below.

OWNER

City of Brady

By: _____

Name: _____

Title: _____

Date: _____

COMPANY

Utility Service Co., Inc.

By: _____ 

Name: Jonathan Cato

Title: Chief Operating Officer

Date: September 28, 2023

EXHIBIT A

Projected Schedule of Work and Fees

Fee Schedule				
FY2024	FY2025	FY2026	FY2027	FY2028
VISUAL	CHEMICAL CLEAN/WASHOUT	VISUAL	EXTERIOR PAINT	VISUAL
\$ 16,764	\$ 16,764	\$ 16,764	\$ 16,764	\$ 16,764
FY2029	FY2030	FY2031	FY2032	FY2033
CHEMICAL CLEAN/WASHOUT	VISUAL	CHEMICAL CLEAN/WASHOUT	VISUAL	CHEMICAL CLEAN/WASHOUT
\$ 16,764	\$ 16,764	\$ 16,764	\$ 16,764	\$ 16,764

EXHIBIT B

Cancellation Fee Schedule

Year	1	2	3	4	5
FM2028 GST	\$0	\$0	\$0	\$77,256	\$66,033

Year	6	7	8	9	10
FM2028 GST	\$50,970	\$40,146	\$25,205	\$14,810	\$0

SCOPE OF WORK NO. 11
TO THE MASTER SERVICES AGREEMENT BETWEEN
UTILITY SERVICE CO., INC.
AND
CITY OF BRADY, TX

CONTRACT FOR SERVICES – 100,000 GALLON G.S.T. - WELL 7 RAW WATER TANK

1. **Effective Date.** The Effective Date for this Scope of Work No.11 (“SOW11”) shall be _____, 20____ .
2. **Term.** The Owner agrees to engage the Company to provide the professional service needed to maintain its 100,000 gallon water storage tank located at 300 South Avenue, Brady, TX 76825 (hereinafter “tank”). This SOW11 shall commence on the Effective Date and shall continue in full force and effect for one year. This SOW11 will automatically renew for nine (9) successive one-year term unless terminated as defined in Section 10 herein. For purposes of this SOW11, “Contract Year” shall mean the 12-month period which commences on the first day of the month when the SOW11 is executed by the Owner and each successive 12-month period thereafter (hereinafter, “Contract Year” or collectively, “Contract Years”).
3. **Company’s Engagement and Responsibilities.** The services (collectively, “the Services”) that the Company will provide include the following:
 - a. The Tank shall receive Renovations, which will include: **an exterior renovation and interior renovation prior to the end of Contract Year 4.**
 - b. The Company will visually inspect the Tank in Contract Years 1,3,5,7 and 9. The Tank will be inspected to ensure that the structure is in a sound, watertight condition. The Company will provide a written inspection report to the Owner following each inspection. **A PDF format report will also be delivered to gjacobson@bradytx.us.**
 - c. In Contract Years 2,6,8 and 10, after the Tank is drained by the Owner, the Company will clean the interior of the Tank and perform a condition assessment on the Tank (hereinafter “Washout Inspection”). During each Washout Inspection, the Tank will be cleaned to remove all mud, silt, and other accumulations from the interior of the Tank. After a Washout Inspection is completed, the interior of the Tank will be thoroughly inspected and disinfected prior to returning the Tank to service; however, the Owner is responsible for draining and filling the Tank and conducting any required testing of the water before returning the Tank to service.
 - d. **Chemical Clean Service.**
 1. During the washout/inspections, the Company will apply an NSF 60 approved chemical cleaning agent to the interior walls and floor surfaces of the Tank to treat mineral build-up and bio-film that form on the interior tank surfaces.

- e. The Company will provide roof vent/overflow pipe screen and hatch gasket repairs when needed during the term of this SOW11.
- f. The Company will clean and repaint the exterior and interior of the Tank prior to the end of Contract Year 4. Only materials approved for use in potable water tanks will be used on any interior surface area. When interior or exterior painting of the Tank is needed, all products and procedures as to coating systems will be equal to or exceed the requirements of the **State of Texas** and the American Water Works Association's D102 standard in effect as of the Effective Date (defined hereinafter).
- g. When the Tank is taken out of service, the Company will furnish pressure relief valves, if requested by the Owner, so that the Owner can install the valves in its water system while the Tank is being serviced. The Owner assumes all risk and liability for the installation and use of the pressure relief valves.
- h. The Company will furnish the Owner with current certificates of insurance, which will summarize the Company's insurance coverage.

4. **Price/Annual Fees.** For the performance of the Services required by Section 3, the Owner shall pay the Company an Annual Fee (hereinafter, "Annual Fee") for each Contract Year of the SOW11. The ten (10) Annual Fees shall be **\$14,545.00** per Contract Year. All applicable taxes are the responsibility of the Owner and are in addition to the stated costs and fees in this SOW11. Please see Exhibit A – Projected Schedule of Work and Fees for further detail.

5. **Payment Terms.** The Annual Fee for Contract Year 1, plus all applicable taxes, shall be due and payable **within ninety (90) days of the Owner's execution of the SOW11. Each subsequent Annual Fee, plus all applicable taxes, shall be due and payable on the first day of each Contract Year thereafter. Invoicing will be billed on a quarterly schedule.** If the Annual Fee, plus all applicable taxes, are not paid within ninety (90) days of the date of invoice, the Company may charge the Owner a late fee on unpaid balances and may also terminate or suspend Services under this SOW11 without notice. The late fee will be 1.5% per month. Furthermore, if the Owner elects to terminate this contract prior to remitting the ten (10) annual fees, the balance for work completed as defined in the attached Exhibit B – Cancellation Fee Schedule, shall be due and payable within thirty (30) days of the Company's receipt of the Owner's Notice to Terminate.

6. **Changes or Delays to Services.** For purposes of this Section 6, "Unreasonable Delay" shall mean the Owner's delay in releasing the Tank or making the Tank available to the Company for the performance of any of the Services described herein for a period of twenty-four (24) months following the Company's written request for release or access to the Tank. In the event of Unreasonable Delay, the Company reserves the right to recover its reasonable costs related to the Unreasonable Delay, and the Owner agrees to negotiate with the Company in good faith to determine the amount of its reasonable costs caused by such Unreasonable Delay. Furthermore, the Owner hereby agrees that the parties can mutually verbally agree to replace a Washout Inspection of the Tank with a visual inspection, remotely operated vehicle inspection ("ROV Inspection"), or unmanned aerial vehicle inspection ("UAV Inspection") without requiring the modification of this SOW11.

7. Structure of Tank and Tank Site Conditions. The Company is accepting this Tank to maintain pursuant to the requirements of this SOW11 based upon its existing structure and components as of the Effective Date (defined hereinafter). ***Any modifications to the Tank, including antenna installations, shall be approved by the Company, prior to installation and may warrant an increase in the Annual Fees.*** In addition, changes in the condition of the Tank Site and/or any adjoining properties (e.g., construction of a mall next to the Tank Site which significantly increases the risk of overspray claims, etc.) following the Effective Date, which cause an increase in the cost of the maintenance of the Tank, will be just cause for an equitable adjustment of the Annual Fees in this SOW11.

8. Environmental, Health, Safety, Labor, or Industry Requirements. The Owner hereby agrees that the promulgation of, enactment of, or modification to any environmental, health, safety, or labor laws, regulations, orders, or ordinances (e.g., EPA or OSHA regulations or standards) following the Effective Date of this SOW11, which cause an increase in the cost of the maintenance of the Tank, will be just cause for an equitable adjustment of the Annual Fees in this SOW11. Furthermore, modifications to industry requirement(s) including, but not limited to, standard(s) or other guidance documents issued by the American Water Works Association, National Sanitary Foundation, and the Association for Materials Protection and Performance, which cause an increase in the cost of the maintenance of the Tank, will be just cause for an equitable adjustment of the Annual Fees in this SOW11. Said equitable adjustment of the Annual Fees in this SOW11 will reasonably reflect the increased cost of the Services with newly negotiated Annual Fee(s).

The Parties agree that the Company's Annual Fees are based on the Owner's representation that the work to be performed under this SOW11 are not subject to prevailing wage requirements. The Owner agrees to notify the Company immediately, if the Company's work is (or will become) subject to prevailing wage requirements, so that the Company may submit revised amounts for Annual Fees.

9. Excluded Items. This SOW11 does NOT include the cost for and/or liability on the part of the Company for: (i) containment of the Tank at any time during the term of the SOW11; except for the Exterior Containment in Contract Year 4; (ii) disposal of any hazardous waste materials; (iii) resolution of operational problems or structural damage due to cold weather; (iv) repair of structural damage due to antenna installations or other attachments for which the Tank was not originally designed; (v) resolution of operational problems or repair of structural damage or site damage caused by physical conditions below the surface of the ground; (vi) negligent acts of Owner's employees, agents or contractors; (vii) damages, whether foreseen or unforeseen, caused by the Owner's use of pressure relief valves; (viii) repairs to the foundation of the Tank; (ix) any latent defects or inaccessible areas of the Tank or its components (including, but not limited to, (a) corrosion from the underside of the floor plates, and (b) inaccessible areas of the Tank such as the area between the bottom of the roof plate and the top of the roof rafter); (x) the maintenance, repair or replacement of any electrical components (to include any lighting, such as aviation lights); (xi) the maintenance, repair or replacement of fill lines, insulation, and/or frost jackets; (xii) the maintenance, repair, or replacement of piping of any kind below ground level; and (xiii) other conditions which are beyond the Owner's and Company's control, including, but not limited to: acts of God and acts of terrorism. Acts of God include, but are not limited to, any damage to the Tank or Tank Site which is caused by seismic activity, hurricanes, and/or tornadoes. Acts of terrorism include, but

are not limited to, any damage to the Tank or Tank Site which results from an unauthorized entry of any kind to the Tank or Tank Site.

10. **Termination.** This SOW11 is an annual contract that shall automatically renew on an annual basis for nine (9) successive Contract Years so long as: (i) the Owner pays each Annual Fee to the Company in accordance with the terms herein and (ii) does not terminate the SOW11 pursuant to the terms of this Section. This SOW11 is subject to termination by the Owner only at the end of the then-current Contract Year if written notice of intent to terminate is received by the Company at least ninety (90) days prior to the first day of the upcoming Contract Year. If the notice of intent to terminate is not received at least ninety (90) days prior to the first day of the upcoming Contract Year, this SOW11 shall renew for an additional Contract Year and expire at the end of the upcoming Contract Year. In such an event, the Owner agrees that it shall be responsible to pay the Annual Fee for the upcoming Contract Year. The notice of intent to terminate must be sent by certified mail, with return receipt requested, to Utility Service Co., Inc., Attention: Customer Service, Post Office Box 1350, Perry, Georgia 31069, and signed by three (3) authorized voting officials of the Owner's governing body (e.g., commission or council). Notice of intent to terminate cannot be delivered electronically or verbally (e.g., email, text, phone call, etc.). The Owner acknowledges and agrees that the Company has advanced Services to the Owner, and the Company has not received full payment for the Services previously performed. Therefore, if the Owner elects to terminate this SOW11 prior to remitting the ten (10) Annual Fees, then the unpaid balance of the first **ten (10) Annual Fees for services rendered** shall be due and payable within thirty (30) days of the Owner's issuance of the notice of intent to terminate at the end of the then-current Contract Year.

11. **Excessive Inflation.** In the event that the aggregate of the Annual Inflation Rates (defined hereinbelow) established for two (2) consecutive calendar years during the term of this SOW11 exceeds 8% in total, the Owner and the Company agree to renegotiate the Annual Fees and increase the Annual Fees throughout the remaining term of this SOW11 to compensate the Company for the excessive inflation. For purposes of this provision, the Annual Inflation Rate for each calendar year shall be established by the *Engineering News Report – Construction Cost Index ("ENR-CCI")*. Company will provide Owner with data from the ENR-CCI at the time of renegotiation. In the event that the ENR-CCI index is discontinued, the Owner and the Company will negotiate and agree to an alternative index or methodology to address the excessive inflation. For illustrative purposes, if a SOW is executed in 2022, the first equitable adjustment could not be made until both the 2023 inflation rate and the 2024 inflation rate have been established. If the annual inflation rates for 2023 and 2024 are 5.0% and 3.1%, respectively, the Owner and the Company agree to renegotiate the current year's Annual Fee as well as the remaining Annual Fees for the remainder of the term of the SOW to address the excessive inflation.

The SOW11 is executed and effective as of the date last signed by the parties below.

OWNER

City of Brady

By: _____

Name: _____

Title: _____

Date: _____

COMPANY

Utility Service Co., Inc.

By:  _____

Name: Jonathan Cato

Title: Chief Operating Officer

Date: September 28, 2023

EXHIBIT A

Projected Schedule of Work and Fees

Fee Schedule				
FY2024	FY2025	FY2026	FY2027	FY2028
VISUAL	CHEMICAL CLEAN/WASHOUT	VISUAL	EXTERIOR/INTERIOR PAINT	VISUAL
\$ 14,545	\$ 14,545	\$ 14,545	\$ 14,545	\$ 14,545
FY2029	FY2030	FY2031	FY2032	FY2033
CHEMICAL CLEAN/WASHOUT	VISUAL	CHEMICAL CLEAN/WASHOUT	VISUAL	CHEMICAL CLEAN/WASHOUT
\$ 14,545	\$ 14,545	\$ 14,545	\$ 14,545	\$ 14,545

EXHIBIT B

Cancellation Fee Schedule

Year	1	2	3	4	5
Well Tank 7 Raw Water	\$0	\$0	\$0	\$68,921	\$56,018

Year	6	7	8	9	10
Well Tank 7 Raw Water	\$45,527	\$32,742	\$22,544	\$9,885	\$0

SCOPE OF WORK NO. 12
TO THE MASTER SERVICES AGREEMENT BETWEEN
UTILITY SERVICE CO., INC.
AND
CITY OF BRADY, TX

CONTRACT FOR SERVICES – 100,000 GALLON G.S.T. – WELL 7 FINISH WATER TANK

1. **Effective Date.** The Effective Date for this Scope of Work No.12 (“SOW12”) shall be _____, 20____ .
2. **Term.** The Owner agrees to engage the Company to provide the professional service needed to maintain its 100,000 gallon water storage tank located at 300 South Avenue, Brady, TX 76825 (hereinafter “tank”). This SOW12 shall commence on the Effective Date and shall continue in full force and effect for one year. This SOW12 will automatically renew for nine (9) successive one-year term unless terminated as defined in Section 10 herein. For purposes of this SOW12, “Contract Year” shall mean the 12-month period which commences on the first day of the month when the SOW12 is executed by the Owner and each successive 12-month period thereafter (hereinafter, “Contract Year” or collectively, “Contract Years”).
3. **Company’s Engagement and Responsibilities.** The services (collectively, “the Services”) that the Company will provide include the following:
 - a. The Company will visually inspect the Tank in Contract Years 1,3,5,7 and 9. The Tank will be inspected to ensure that the structure is in a sound, watertight condition. The Company will provide a written inspection report to the Owner following each inspection. **A PDF format report will also be delivered to gjacobson@bradytx.us.**
 - b. In Contract Years 2,4,6,8 and 10 after the Tank is drained by the Owner, the Company will clean the interior of the Tank and perform a condition assessment on the Tank (hereinafter “Washout Inspection”). During each Washout Inspection, the Tank will be cleaned to remove all mud, silt, and other accumulations from the interior of the Tank. After a Washout Inspection is completed, the interior of the Tank will be thoroughly inspected and disinfected prior to returning the Tank to service; however, the Owner is responsible for draining and filling the Tank and conducting any required testing of the water before returning the Tank to service.
 - c. **Chemical Clean Service.**
 1. During the washout/inspections, the Company will apply an NSF 60 approved chemical cleaning agent to the interior walls and floor surfaces of the Tank to treat mineral build-up and bio-film that form on the interior tank surfaces.
 - d. The Company will provide roof vent/overflow pipe screen and hatch gasket repairs when needed during the term of this SOW12.
 - e. When the Tank is taken out of service, the Company will furnish pressure relief valves, if requested by the Owner, so that the Owner can

install the valves in its water system while the Tank is being serviced. The Owner assumes all risk and liability for the installation and use of the pressure relief valves.

f. The Company will furnish the Owner with current certificates of insurance, which will summarize the Company's insurance coverage.

4. **Price/Annual Fees.** For the performance of the Services required by Section 3, the Owner shall pay the Company an Annual Fee (hereinafter, "Annual Fee") for each Contract Year of the SOW12. The ten (10) Annual Fees shall be **\$2,913.00** per Contract Year. All applicable taxes are the responsibility of the Owner and are in addition to the stated costs and fees in this SOW12. Please see Exhibit A – Projected Schedule of Work and Fees for further detail.
5. **Payment Terms.** The Annual Fee for Contract Year 1, plus all applicable taxes, shall be due and payable **within ninety (90) days of the Owner's execution of the SOW12. Each subsequent Annual Fee, plus all applicable taxes, shall be due and payable on the first day of each Contract Year thereafter. Invoicing will be billed on a quarterly schedule.** If the Annual Fee, plus all applicable taxes, are not paid within ninety (90) days of the date of invoice, the Company may charge the Owner a late fee on unpaid balances and may also terminate or suspend Services under this SOW12 without notice. The late fee will be 1.5% per month. Furthermore, if the Owner elects to terminate this contract prior to remitting the ten (10) annual fees, the balance for work completed as defined in the attached Exhibit B – Cancellation Fee Schedule, shall be due and payable within thirty (30) days of the Company's receipt of the Owner's Notice to Terminate.
6. **Changes or Delays to Services.** For purposes of this Section 6, "Unreasonable Delay" shall mean the Owner's delay in releasing the Tank or making the Tank available to the Company for the performance of any of the Services described herein for a period of twenty-four (24) months following the Company's written request for release or access to the Tank. In the event of Unreasonable Delay, the Company reserves the right to recover its reasonable costs related to the Unreasonable Delay, and the Owner agrees to negotiate with the Company in good faith to determine the amount of its reasonable costs caused by such Unreasonable Delay. Furthermore, the Owner hereby agrees that the parties can mutually verbally agree to replace a Washout Inspection of the Tank with a visual inspection, remotely operated vehicle inspection ("ROV Inspection"), or unmanned aerial vehicle inspection ("UAV Inspection") without requiring the modification of this SOW12.
7. **Structure of Tank and Tank Site Conditions.** The Company is accepting this Tank to maintain pursuant to the requirements of this SOW12 based upon its existing structure and components as of the Effective Date (defined hereinafter). **Any modifications to the Tank, including antenna installations, shall be approved by the Company, prior to installation and may warrant an increase in the Annual Fees.** In addition, changes in the condition of the Tank Site and/or any adjoining properties (e.g., construction of a mall next to the Tank Site which significantly increases the risk of overspray claims, etc.) following the Effective Date, which cause an increase in the cost of the maintenance of the Tank, will be just cause for an equitable adjustment of the Annual Fees in this SOW12.
8. **Environmental, Health, Safety, Labor, or Industry Requirements.** The Owner hereby agrees that the promulgation of, enactment of, or modification to any

environmental, health, safety, or labor laws, regulations, orders, or ordinances (e.g., EPA or OSHA regulations or standards) following the Effective Date of this SOW12, which cause an increase in the cost of the maintenance of the Tank, will be just cause for an equitable adjustment of the Annual Fees in this SOW12. Furthermore, modifications to industry requirement(s) including, but not limited to, standard(s) or other guidance documents issued by the American Water Works Association, National Sanitary Foundation, and the Association for Materials Protection and Performance, which cause an increase in the cost of the maintenance of the Tank, will be just cause for an equitable adjustment of the Annual Fees in this SOW12. Said equitable adjustment of the Annual Fees in this SOW12 will reasonably reflect the increased cost of the Services with newly negotiated Annual Fee(s).

The Parties agree that the Company's Annual Fees are based on the Owner's representation that the work to be performed under this SOW12 are not subject to prevailing wage requirements. The Owner agrees to notify the Company immediately, if the Company's work is (or will become) subject to prevailing wage requirements, so that the Company may submit revised amounts for Annual Fees.

9. **Excluded Items.** This SOW12 does NOT include the cost for and/or liability on the part of the Company for: (i) containment of the Tank at any time during the term of the SOW12; (ii) disposal of any hazardous waste materials; (iii) resolution of operational problems or structural damage due to cold weather; (iv) repair of structural damage due to antenna installations or other attachments for which the Tank was not originally designed; (v) resolution of operational problems or repair of structural damage or site damage caused by physical conditions below the surface of the ground; (vi) negligent acts of Owner's employees, agents or contractors; (vii) damages, whether foreseen or unforeseen, caused by the Owner's use of pressure relief valves; (viii) repairs to the foundation of the Tank; (ix) any latent defects or inaccessible areas of the Tank or its components (including, but not limited to, (a) corrosion from the underside of the floor plates, and (b) inaccessible areas of the Tank such as the area between the bottom of the roof plate and the top of the roof rafter); (x) the maintenance, repair or replacement of any electrical components (to include any lighting, such as aviation lights); (xi) the maintenance, repair or replacement of fill lines, insulation, and/or frost jackets; (xii) the maintenance, repair, or replacement of piping of any kind below ground level; and (xiii) other conditions which are beyond the Owner's and Company's control, including, but not limited to: acts of God and acts of terrorism. Acts of God include, but are not limited to, any damage to the Tank or Tank Site which is caused by seismic activity, hurricanes, and/or tornadoes. Acts of terrorism include, but are not limited to, any damage to the Tank or Tank Site which results from an unauthorized entry of any kind to the Tank or Tank Site.
10. **Termination.** This SOW12 is an annual contract that shall automatically renew on an annual basis for nine (9) successive Contract Years so long as: (i) the Owner pays each Annual Fee to the Company in accordance with the terms herein and (ii) does not terminate the SOW12 pursuant to the terms of this Section. This SOW12 is subject to termination by the Owner only at the end of the then-current Contract Year if written notice of intent to terminate is received by the Company at least ninety (90) days prior to the first day of the upcoming Contract Year. If the notice of intent to terminate is not received at least ninety (90) days prior to the first day of the upcoming Contract Year, this SOW12 shall renew for an additional Contract Year and expire at the end of the upcoming Contract Year. In such an event, the Owner agrees that it shall be responsible

to pay the Annual Fee for the upcoming Contract Year. The notice of intent to terminate must be sent by certified mail, with return receipt requested, to Utility Service Co., Inc., Attention: Customer Service, Post Office Box 1350, Perry, Georgia 31069, and signed by three (3) authorized voting officials of the Owner's governing body (e.g., commission or council). Notice of intent to terminate cannot be delivered electronically or verbally (e.g., email, text, phone call, etc.). The Owner acknowledges and agrees that the Company has advanced Services to the Owner, and the Company has not received full payment for the Services previously performed. Therefore, if the Owner elects to terminate this SOW12 prior to remitting the ten (10) Annual Fees, then the unpaid balance of the first **ten (10) Annual Fees** for services rendered shall be due and payable within thirty (30) days of the Owner's issuance of the notice of intent to terminate at the end of the then-current Contract Year.

11. **Excessive Inflation.** In the event that the aggregate of the Annual Inflation Rates (defined hereinbelow) established for two (2) consecutive calendar years during the term of this SOW12 exceeds 8% in total, the Owner and the Company agree to renegotiate the Annual Fees and increase the Annual Fees throughout the remaining term of this SOW12 to compensate the Company for the excessive inflation. For purposes of this provision, the Annual Inflation Rate for each calendar year shall be established by the *Engineering News Report – Construction Cost Index (“ENR-CCI”)*. Company will provide Owner with data from the ENR-CCI at the time of renegotiation. In the event that the ENR-CCI index is discontinued, the Owner and the Company will negotiate and agree to an alternative index or methodology to address the excessive inflation. For illustrative purposes, if a SOW is executed in 2022, the first equitable adjustment could not be made until both the 2023 inflation rate and the 2024 inflation rate have been established. If the annual inflation rates for 2023 and 2024 are 5.0% and 3.1%, respectively, the Owner and the Company agree to renegotiate the current year's Annual Fee as well as the remaining Annual Fees for the remainder of the term of the SOW to address the excessive inflation.

The SOW12 is executed and effective as of the date last signed by the parties below.

OWNER

City of Brady

By: _____

Name: _____

Title: _____

Date: _____

COMPANY

Utility Service Co., Inc.

By:  _____

Name: Jonathan Cato

Title: Chief Operating Officer

Date: September 28, 2023

EXHIBIT A

Projected Schedule of Work and Fees

Fee Schedule				
FY2024	FY2025	FY2026	FY2027	FY2028
VISUAL	CHEMICAL CLEAN/WASHOUT	VISUAL	CHEMICAL CLEAN/WASHOUT	VISUAL
\$ 2,913	\$ 2,913	\$ 2,913	\$ 2,913	\$ 2,913
FY2029	FY2030	FY2031	FY2032	FY2033
CHEMICAL CLEAN/WASHOUT	VISUAL	CHEMICAL CLEAN/WASHOUT	VISUAL	CHEMICAL CLEAN/WASHOUT
\$ 2,913	\$ 2,913	\$ 2,913	\$ 2,913	\$ 2,913

EXHIBIT B

Cancellation Fee Schedule

Year	1	2	3	4	5
WELL TANK 7 FINISH WATER	\$0	\$0	\$0	\$0	\$0

Year	6	7	8	9	10
WELL TANK 7 FINISH WATER	\$0	\$0	\$0	\$0	\$0

SCOPE OF WORK NO. 13
TO THE MASTER SERVICES AGREEMENT BETWEEN
UTILITY SERVICE CO., INC.
AND
CITY OF BRADY, TX

CPPS CONTRACT FOR SERVICES – 300,000 GALLON GST – WTP CLEARWELL

1. **Effective Date.** The Effective Date for this Scope of Work No. 13 (“SOW13”) shall be _____, 20_____.
2. **Term.** The Owner agrees to engage the Company to provide the professional service needed to service its **300,000 gallon WTP Clearwell** located at **580 Fife Road, Brady, TX 76825** (hereinafter “asset”). This SOW13 shall commence on the Effective Date and shall continue in full force and effect for one year. This SOW13 will automatically renew for nine (9) successive one-year term unless terminated as defined in Section 10 herein. For purposes of this SOW13, “Contract Year” shall mean the 12-month period which commences on the first day of the month when the SOW13 is executed by the Owner and each successive 12-month period thereafter (hereinafter, “Contract Year” or collectively, “Contract Years”).
3. **Company’s Responsibilities & Scope of Work.** This SOW13 outlines the Company’s responsibility for the service of the above-described asset to include the specified work as detailed in **Appendix A**.
4. **Contract Price.** For the performance of the Services required by Section 3, the Owner shall pay the Company an Annual Fee (hereinafter, “Annual Fee”) for each Contract Year of the SOW13. The ten (**10**) Annual Fees shall be **\$3,940.00** per Contract Year. All applicable taxes are the responsibility of the Owner and are in addition to the stated costs and fees in this SOW13. Please see Exhibit A – Projected Schedule of Work and Fees for further detail.
5. **Payment Terms.** The Annual Fee for Contract **Year 1**, plus all applicable taxes, shall be invoiced upon completion of the upfront renovation. **Each subsequent annual fee, plus all applicable taxes, shall be invoiced quarterly thereafter, beginning January 1, 2024.** Furthermore, if the Owner elects to terminate this contract prior to remitting the ten (10) annual fees, the balance for work completed as defined in the attached Exhibit B – Cancellation Fee Schedule, shall be due and payable within thirty (30) days of the Company’s receipt of the Owner’s Notice to Terminate.
6. **Changes or Delays to Services.** For purposes of this Section 6, “Unreasonable Delay” shall mean the Owner’s delay in releasing the Asset or making the Asset available to the Company for the performance of any of the Services described herein for a period of twenty-four (24) months following the Company’s written request for release or access to the Asset. In the event of Unreasonable Delay, the Company reserves the right to recover its reasonable costs related to the Unreasonable Delay, and the Owner agrees to negotiate with the Company in good faith to determine the amount of its reasonable costs caused by such Unreasonable Delay. Furthermore,

the Owner hereby agrees that can mutually verbally agree to replace a Washout Inspection of the Asset with a visual inspection, remotely operated vehicle inspection (“ROV Inspection”), or unmanned aerial vehicle inspection (“UAV Inspection”) without requiring the modification of this SOW13.

7. Structure of Asset and Asset Site Conditions. The Company is accepting this Asset to maintain pursuant to the requirements of this SOW13 based upon its existing structure and components as of the Effective Date (defined hereinafter). ***Any modifications to the Asset, including antenna installations, shall be approved by the Company, prior to installation and may warrant an increase in the Annual Fees.*** In addition, changes in the condition of the Asset Site and/or any adjoining properties (e.g., construction of a mall next to the Asset Site which significantly increases the risk of overspray claims, etc.) following the Effective Date, which cause an increase in the cost of the maintenance of the Asset, will be just cause for an equitable adjustment of the Annual Fees in this SOW13.

8. Environmental, Health, Safety, Labor, or Industry Requirements. The Owner hereby agrees that the promulgation of, enactment of, or modification to any environmental, health, safety, or labor laws, regulations, orders, or ordinances (e.g., EPA or OSHA regulations or standards) following the Effective Date of this SOW13, which cause an increase in the cost of the maintenance of the Asset, will be just cause for an equitable adjustment of the Annual Fees in this SOW13. Furthermore, modifications to industry requirement(s) including, but not limited to, standard(s) or other guidance documents issued by the American Water Works Association, National Sanitary Foundation, and the Association for Materials Protection and Performance, which cause an increase in the cost of the maintenance of the Asset, will be just cause for an equitable adjustment of the Annual Fees in this SOW13. Said equitable adjustment of the Annual Fees in this SOW13 will reasonably reflect the increased cost of the Services with newly negotiated Annual Fee(s).

The Parties agree that the Company’s Annual Fees are based on the Owner’s representation that the work to be performed under this SOW13 are not subject to prevailing wage requirements. The Owner agrees to notify the Company immediately, if the Company’s work is (or will become) subject to prevailing wage requirements, so that the Company may submit revised amounts for Annual Fees.

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9. **Excluded Items.** This Contract does NOT include the cost for and/or liability on the part of the Company for: (1) containment or lead abatement of the Asset at any time; (2) disposal of any hazardous waste materials; (3) any services necessary for the Asset or Asset site that arise from or are caused by cold weather, physical conditions of the ground or Asset site (e.g., erosion), or physical conditions below the ground (e.g., sinkholes and settling of the ground); (4) repair of the Asset's structure for any reason; (5) negligent acts of Owner's employees, agents or contractors; (6) damages, whether foreseen or unforeseen, caused by the Owner's use of pressure relief valves; (7) repairs to the foundation of the Asset; (8) any repairs or improvements necessary for the Asset or Asset site that arise from or are caused by voids in concrete; (9) environmental controls including dehumidification and auxiliary heating are not included; (10) performance or payment bonds; or (11) other conditions which are beyond the Owner's and Company's control, including, but not limited to: acts of God and acts of terrorism. Acts of terrorism include, but are not limited to, any damage to the Asset or Asset site which results from unauthorized entry of any kind to the Asset site or Asset.
10. **Termination. This SOW13 is an annual contract that shall automatically renew on an annual basis for nine (9) successive Contract Years so long as:** (i) the Owner pays each Annual Fee to the Company in accordance with the terms herein and (ii) does not terminate the SOW13 pursuant to the terms of this Section. This SOW13 is subject to termination by the Owner only at the end of the then-current Contract Year if written notice of intent to terminate is received by the Company at least ninety (90) days prior to the first day of the upcoming Contract Year. If the notice of intent to terminate is not received at least ninety (90) days prior to the first day of the upcoming Contract Year, this SOW13 shall renew for an additional Contract Year and expire at the end of the upcoming Contract Year. In such an event, the Owner agrees that it shall be responsible to pay the Annual Fee for the upcoming Contract Year. The notice of intent to terminate must be sent by certified mail, with return receipt requested, to Utility Service Co., Inc., Attention: Customer Service, Post Office Box 1350, Perry, Georgia 31069, and signed by three (3) authorized voting officials of the Owner's governing body (e.g., commission or council). Notice of intent to terminate cannot be delivered electronically or verbally (e.g., email, text, phone call, etc.). The Owner acknowledges and agrees that the Company has advanced Services to the Owner, and the Company has not received full payment for the Services previously performed. Therefore, if the Owner elects to terminate this SOW13 prior to remitting the ten (10) Annual Fees, then the unpaid balance of work completed as defined in the attached Exhibit A – Cancellation Fee Schedule shall be due and payable within thirty (30) days of the Owner's issuance of the notice of intent to terminate at the end of the then-current Contract Year. Fees paid for cancellation are for services previously rendered.
11. **Excessive Inflation.** In the event that the aggregate of the Annual Inflation Rates (defined hereinbelow) established for two (2) consecutive calendar years during the term of this SOW13 exceeds 8% in total, the Owner and the Company agree to renegotiate the Annual Fees and increase the Annual Fees throughout the remaining term of this SOW13 to compensate the Company for the excessive inflation. For purposes of this provision, the Annual Inflation Rate for each calendar year shall be established by the *Engineering News Report – Construction Cost Index ("ENR-CCI")*. Company will provide Owner with data from the ENR-CCI at the time of renegotiation. In the event that the ENR-CCI index is discontinued, the Owner and the Company will negotiate and agree to an alternative index or methodology to address the excessive inflation. For illustrative

purposes, if a SOW is executed in 2022, the first equitable adjustment could not be made until both the 2023 inflation rate and the 2024 inflation rate have been established. If the annual inflation rates for 2023 and 2024 are 5.0% and 3.1%, respectively, the Owner and the Company agree to renegotiate the current year's Annual Fee as well as the remaining Annual Fees for the remainder of the term of the SOW to address the excessive inflation.

The SOW13 is executed and effective as of the date last signed by the parties below.

OWNER

City of Brady

By: _____

Name: _____

Title: _____

Date: _____

COMPANY

Utility Service Co., Inc.

By: _____ 

Name: Jonathan Cato

Title: Chief Operating Officer

Date: September 28, 2023

Appendix A

Asset

- WTP Clearwell is approximately 104ft dia x 9ft Height (Interior x 1ft Height (Average Exterior Exposed); Tank Size (Gallons) approximately 572,000
- Owner was not able to provide tank dimensions. This SOW13 is based on the above dimensions. Additional fees shall be negotiated by the parties if the actual dimensions differ from the above.
- Visual Inspections shall be performed in Contract Years 1, 3, 5, 7 and 9. Chemical Clean Washouts shall be performed in Contract Years 2, 4, 6, 8, and 10.

Visual Inspection Specifications

- A date shall be coordinated by both parties for the Owner to provide access to the Asset.
- Asset does not need to be drained.
- The Asset will be inspected to assess the sanitary, safety, structural, security, and coatings conditions, if present.
- A comprehensive written report with color digital photographs will be submitted detailing the condition of the Asset. **A PDF format report will also be delivered to gjacobson@bradytx.us.**

Chemical Clean Washouts Specifications

- A date shall be coordinated by both parties for the Owner to provide access to the Asset.
- Owner shall isolate Asset using existing standard operating procedures.
- Owner shall fully drain Asset prior to entry.
- Washout of Asset includes the walls, and floor only. Walls are to be cleaned within the reachable area (approximately 10'H) without the use of scaffolding or any rigging within the Asset. Areas above reachable height and ceiling of Asset are excluded.
- Perform washout of Asset with allowance for one (1) crew day and 3" depth of soft sediment on the Asset floor. Pricing is based upon:
 - Off-site disposal is not included.
 - Wash-water and sediment will be disposed of through on-site drainage within a 150' distance from the Asset. Drainage will not be screened or sediment removed using a sediment trap or other sedimentation controls. Owner shall be responsible for dechlorination of the discharge water, if required.
 - Any remaining solids within the Asset will not be removed. No vactor truck or any other removal equipment is included in this proposal to remove any solids that cannot be removed through normal flushing and rinsing of the Asset. If it is deemed necessary to use a vacuum truck to remove solids within the Asset, then a price of \$7,500 per day will be added to the contract through the execution of an authorized change order.
- Excludes any hard scale (calcium, lime etc. deposits) built-up within the Asset
- Chemical Clean Washout (CCWO) of the Asset with NSF60 approved TC-1 and boost cleaner for biofilm removal

- Fresh water rinse all interior surfaces to remove cleaning agent and dilute/neutralize residual concentrations. Pricing assumes that neutralized wash-water and sediment can be disposed of through on-site drainage.
 - Estimated amount of TC-1 (Gallons) 5. Estimated amount of Boost (Liters) 1.
- Spray disinfection of the Asset walls, floor and ceiling in accordance with AWWA C652 Method 2 (Contact Method) after completion of washout
- The Asset will be inspected to assess the sanitary, safety, structural, security, and coatings conditions, if present.
- A comprehensive written report with color digital photographs will be submitted detailing the condition of the Asset.
- **Additional work effort: If the WO time or sludge depth is greater than the above allowance, a price of \$2,578 per crew day until sludge is completely removed may be added to this SOW13 via written amendment. If special or upgraded equipment is required to facilitate removal of access sludge, change order may include rental equipment fees plus a 25% markup.**

EXHIBIT A

Projected Schedule of Work and Fees

Fee Schedule				
FY2024	FY2025	FY2026	FY2027	FY2028
VISUAL	CHEMICAL CLEAN/WASHOUT	VISUAL	CHEMICAL CLEAN/WASHOUT	VISUAL
\$ 3,940	\$ 3,940	\$ 3,940	\$ 3,940	\$ 3,940
FY2029	FY2030	FY2031	FY2032	FY2033
CHEMICAL CLEAN/WASHOUT	VISUAL	CHEMICAL CLEAN/WASHOUT	VISUAL	CHEMICAL CLEAN/WASHOUT
\$ 3,940	\$ 3,940	\$ 3,940	\$ 3,940	\$ 3,940

EXHIBIT B

Cancellation Fee Schedule

Year	1	2	3	4	5
WTP Clearwell	\$0	\$0	\$0	\$0	\$0

Year	6	7	8	9	10
WTP Clearwell	\$0	\$0	\$0	\$0	\$0

MASTER SERVICES AGREEMENT
Terms and Conditions

This MASTER SERVICES AGREEMENT ("Agreement") is entered into by and between **City of Brady** with a principal business address of 201 East Main Street, Brady, TX 76825 ("Owner"), and **Utility Service Co., Inc.**, a Georgia corporation with a principal business address of 535 General Courtney Hodges Boulevard, Post Office Box 1350, Perry, Georgia 31069 ("Company").

WHEREAS, the Owner and the Company (individually, "Party"; collectively, "Parties") desire for the Company to provide goods and services to the Owner under the terms set forth herein;

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

1. Scope. The Company agrees to provide the Owner with certain goods and services ("Services") set forth on each properly executed Scope of Work ("SOW") to be attached hereto and incorporated herein by reference. Each SOW shall be subject to the general terms and conditions (the "Terms and Conditions") set forth in this Agreement. Each time Owner engages Company to perform Services, a new SOW shall be prepared specifying the scope of Services specific to that engagement. Unless otherwise indicated in any given SOW, Company shall be responsible for furnishing all labor, materials and tools to perform the Services. Each new SOW represents a separate contract between Company and Owner that incorporates the Terms and Conditions and is governed by this Agreement. All changes to any SOW may only be made by a written amendment to such SOW and signed by an authorized representative of each Party. Owner may terminate a SOW in accordance with the terms of each SOW. In the event there is a conflict between any term of an SOW and this Agreement, the term(s) of the SOW shall control.

2. Term. The effective date of this Agreement shall be _____, 2023 ("Effective Date"). The term of this Agreement shall commence on the Effective Date and shall continue in full force and effect for one year ("Term"). This Agreement will automatically renew for successive one-year terms ("Renewal Terms") unless terminated as set forth in Section 9 of this Agreement. The term of a SOW shall begin on the commencement date provided in that SOW and continue in effect for the agreed term provided in that SOW.

3. Fees. For all Services performed, Owner shall pay Company in accordance with the terms of each SOW. The fees paid in accordance with each SOW shall constitute the full and complete compensation to Company for the Services performed pursuant to the SOW. Unless otherwise expressly set forth in any given SOW, Company shall be responsible for expenses it incurs in connection with its provision of the Services.

4. Independent Contractor. The Company is, and shall at all times remain, an independent contractor. The Company and each of the Company's employees and principals shall not be deemed for any purpose to be the Owner's employees, and they shall not be entitled to any claims, rights, benefits and privileges to which an employee of the Owner or any if its respective affiliates may be entitled under any retirement, pension, insurance, medical or other plans which may now be in effect or which may hereafter be adopted. The Owner is not responsible to any governing body or to the Company for paying or withholding payroll taxes

and other employee expenses related to payments made to the Company. Notwithstanding anything to the contrary, this Agreement does not, and shall not be deemed to, constitute a partnership or joint venture between the Parties and neither Party nor any of their respective directors, officers, officials, or employees shall, by virtue of the performance of their obligations under this Agreement, be deemed to be an agent or employee of the other. No Party has the authority to bind the other Party except to the extent approved in writing by the Party to be bound.

5. Insurance. Company shall maintain statutory minimum Worker's Compensation as required by the laws of any jurisdiction in which Services are performed, and commercial general liability insurance covering Company's liabilities hereunder and for injury to persons or damage to property with limits of not less than \$2,000,000 per occurrence. Upon Owner's request, Company shall furnish Owner with a certificate of insurance evidencing this coverage.

6. Representations. Company represents and warrants that Company has the full power and authority to enter into and perform under this Agreement; that the execution, delivery and performance of this Agreement has been duly authorized and constitutes a valid and binding agreement of Company; and that the execution, delivery and performance of this Agreement will not result in the breach of, or constitute a default under, or violate any provision of, any agreement or other instrument to which Company is a party to a non-competition agreement or bound by any competitive restrictive covenant concerning or relating to, in any manner, the performance by Company of services similar to the Services to be performed hereunder.

7. Indemnification.

a. Indemnification by Company. The Company shall indemnify the Owner and its officers and employees from and against any claims, actions, and suits resulting from and to the extent of the Company's negligence while performing hereunder. The Company's indemnification obligations hereunder shall be subject to Owner's prompt written notification to the Company adequately describing any third-party claim(s) resulting from the Company's performance hereunder.

b. Indemnification by Owner. The Owner shall indemnify the Company and its officers, directors and employees from and against any claims, actions, and suits resulting from and to the extent of the Owner's negligence. The Owner's indemnification obligations hereunder shall be subject to the Company's prompt written notification to the Owner adequately describing any damages resulting from the Owner's negligence.

8. Assignment of Receivables. The Company reserves the right to assign any outstanding receivables from this Contract to its financial institutions as collateral for any loans or lines of credit.

9. Termination.

a. Right to Terminate. Once all SOWs that have been issued under this Agreement have expired or have been terminated, pursuant to the termination provision(s) in each SOW, either Party may terminate this Agreement by giving ten (10) days' advanced written notice to the other Party.

b. Termination Provisions in SOWs. The termination of each individual SOW shall be governed by the applicable termination provision in each SOW.

10. Intellectual Property. The Owner acknowledges and agrees that (a) all intellectual property rights in the Company's performance, methods and all related know-how are owned by the Company, its licensors, or suppliers; and (b) this Agreement shall not be construed as a license for the Owner to use, deliver, or exploit the intellectual property used by the Company in its performance, except as expressly set forth in this Agreement. To the extent that any new intellectual property or know-how is developed as a result of the Company's performance, the new intellectual property rights will all be owned by the Company, its licensors, or suppliers, and the Owner agrees that it will not make a claim to any such new intellectual property rights.

11. Limitation of Liability.

a. **IN NO EVENT WILL THE COMPANY OR ITS RESPECTIVE AFFILIATES, SUBSIDIARIES, OFFICERS, DIRECTORS, OFFICIALS, EMPLOYEES, SUPPLIERS OR AGENTS BE LIABLE FOR ANY LOSS OF REVENUE, PROFITS, OR DATA, OR FOR ANY SPECIAL, INDIRECT, CONSEQUENTIAL, INCIDENTAL, OR PUNITIVE DAMAGES HOWEVER CAUSED AND REGARDLESS OF THE THEORY OF LIABILITY (CONTRACT, TORT, NEGLIGENCE, OR OTHERWISE) WHICH ARISES OUT OF THE COMPANY'S OR ITS SUPPLIERS' PERFORMANCE OR NON-PERFORMANCE UNDER THIS AGREEMENT. THE TOTAL LIABILITY OF THE COMPANY, ITS AFFILIATES, SUBCONTRACTORS, EMPLOYEES, SUPPLIERS AND AGENTS ARISING OUT OF PERFORMANCE OR NON-PERFORMANCE OF OBLIGATIONS UNDER THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO THE SALE, DELIVERY, STORAGE, INSTALLATION, REPAIR, MODIFICATION OR USE OF THE EQUIPMENT, THE RENDITION OF OTHER SERVICES IN CONNECTION THEREWITH, SHALL NOT EXCEED, IN THE AGGREGATE, AN AMOUNT EQUAL TO TWENTY-FIVE PERCENT (25%) OF THE SUM OF ALL FEES PAID BY THE OWNER TO THE COMPANY PURSUANT TO THE TERMS OF ALL SOWs.**

b. **NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, ANY LIABILITY ON THE PART OF THE COMPANY FOR MATTERS RELATED TO OR ARISING FROM CYBER SECURITY (A) SHALL BE LIMITED TO CLAIMS RELATING TO THE HARDWARE AND SOFTWARE WITHIN THE DIRECT CONTROL OF THE COMPANY THAT IS THE DIRECT AND PROXIMATE CAUSE OF ANY LOSSES OR DAMAGE, AND (B) SHALL BE LIMITED TO ONLY THOSE CLAIMS OR PORTIONS OF CLAIMS THAT ARE COVERED BY INSURANCE REQUIRED TO BE MAINTAINED PURSUANT TO THE TERMS OF THIS AGREEMENT OR ANY SOW.**

12. Rules of Construction. In construing this Agreement, the following principles shall be followed: (i) no meaning may be inferred from any presumption that one Party had a greater or lesser hand in drafting this Agreement; (ii) examples do not limit, expressly or by implication, the matter they illustrate; (iii) the plural shall be deemed to include the singular and vice versa, as applicable; and (iv) the headings are for convenience only and do not affect the meaning or construction of any such provision. Furthermore, the Parties specifically acknowledge and agree that they have in fact read this Agreement and are fully informed and have full notice and knowledge of the terms, conditions and effects of this Agreement. Each Party further agrees that it will not contest the validity or enforceability of any provision of this Agreement on the basis that it had no notice or knowledge of such provision or that such provision is not conspicuous.

13. Miscellaneous.

a. **Notices.** All notices hereunder shall be in writing and shall be sent by certified mail, return receipt requested, or by overnight courier service, to the address set forth below each Party's signature, or to such other addresses as may be stipulated in writing by the Parties pursuant hereto. Unless otherwise provided, notice shall be effective on the date it is officially recorded as delivered by return receipt or equivalent.

b. **Entire Agreement; Amendment.** This Agreement supersedes all prior agreements, arrangements, and undertakings between the Parties and constitutes the entire agreement between the Parties relating to the subject matter thereof. This Agreement may not be amended except by written instrument executed by both Parties. The invalidity or unenforceability of any provision of this Agreement shall in no way affect the validity or enforceability of any other provision of this Agreement.

c. **Assignment.** Neither Party may assign this Agreement without the prior written consent of the other Party. Any attempt to assign this Agreement without the prior written consent of the other Party shall be null and void. A Change in Control of a Party shall not be deemed an assignment of this Agreement. For purposes of this Agreement, "Change in Control" shall mean an event deemed to occur if a person or entity, that is either affiliated or unaffiliated with the Company, acquires more than fifty percent control over the Party's voting securities.

d. **Force Majeure.** If either Party is prevented from performing any of its duties or obligations hereunder (other than duties or obligations with respect to payment) in a timely manner by reason or act of God or force majeure such as fire; war; earthquake; strike; lock-out; labor dispute; flood; public disaster; pandemic or epidemic event (to include but not limited to COVID-19); interruptions or delays in reasonably available means of transportation; acts of any government or its agencies or officers, or any order, regulation, or ruling thereof; equipment or technical malfunctions or failures; power failures or interruptions; or any other reason beyond its reasonable control, such condition shall be deemed to be a valid excuse for delay of performance or for nonperformance of any such duty or obligation for the period during which such condition(s) exist.

e. **Survival of Certain Provisions.** The provisions of Sections 10 and 11 of this Agreement shall survive the termination or expiration of this Agreement and continue to bind the Parties and their legal representatives, successors and permitted assigns.

f. **No Waiver.** The waiver of any breach or failure of a term or condition of this Agreement by any Party shall not be construed as a waiver of any subsequent breach or failure of the same term or condition, or a waiver of any other breach or failure of a term or condition of this Agreement.

g. **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same Agreement. The Parties may utilize electronic means (including facsimile and e-mail) to execute and transmit the Agreement and all such electronically executed and/or transmitted copies of the Agreement shall be deemed as valid as originals.

h. **Dispute Resolution.** In the event a dispute arises among the Parties, the disputing Party shall provide the other Party with written notice of the dispute, and within

twenty (20) days after receipt of said notice, the receiving Party shall submit to the other a written response. The notice and response shall include a statement of each Party's position and a summary of the evidence and arguments supporting its position. Each Party shall designate a high level manager with authority to resolve the dispute to work in good faith with the other Party's designated manager to resolve the dispute; the name and title of said employee shall also be included in the notice and response. The managers shall meet at a mutually acceptable time and place within thirty (30) days of the date of the disputing party's notice and thereafter as they deem reasonably necessary to resolve the dispute. If the managers, having acted in good faith, have not resolved the dispute within ninety (90) days of receipt of the initial written notice, then the Parties shall attempt to resolve the dispute in good faith by non-binding mediation administered by the American Arbitration Association ("AAA") under its Commercial Mediation Rules. If either Party is unsatisfied with the results of mediation and cannot resolve the dispute and/or claim at mediation, it shall be submitted to binding arbitration. Any such dispute and/or claim will be resolved by binding arbitration in accordance with the Rules for Commercial Arbitration of the American Arbitration Association before a panel of three (3) arbitrators, one appointed by each Party, and the third appointed by the Agreement of the first two arbitrators. The decision or award of a majority of the arbitrators shall be final and binding upon the Parties. Any arbitral award may be entered as a judgment or order in any court of competent jurisdiction. Each Party's costs and expenses attributed to the negotiation, mediation, and/or arbitration shall be borne by such Party.

i. **Governing Law.** This Agreement shall be governed by the law of the State of Texas; provided, however, that the Company's obligation to comply with applicable laws shall be limited to laws that apply to the Company.

SIGNATURE PAGE TO FOLLOW

WHEREFORE, for the purpose of being bound, the Parties execute this Agreement by their duly authorized representatives as of the date(s) set forth below.

OWNER

City of Brady

By: _____

Name: _____

Title: _____

Date: _____

COMPANY

Utility Service Co., Inc.

By:  _____

Name: Jonathan Cato

Title: Chief Operating Officer

Date: September 28, 2023

Notice Address for Each Party:

City of Brady

Attn: _____

Utility Service Co., Inc.

Attn: Customer Service Department

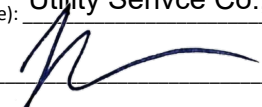
535 General Courtney Hodges Boulevard

Post Office Box 1350

Perry, Georgia 31069

		SCHEDULED MAINTENANCE ACTIVITY DESCRIPTION >>>>	VISUAL	CHEMICAL CLEAN/WASHOUT	VISUAL	CHEMICAL CLEAN/WASHOUT	VISUAL	CHEMICAL CLEAN/WASHOUT	VISUAL	CHEMICAL CLEAN/WASHOUT	VISUAL	CHEMICAL CLEAN/WASHOUT	VISUAL
X	W7GS-FWT	100,000 GST FINISH WATER TANK, WELL NO 7	Annual Cost >>>	\$ 3,940	\$ 3,940	\$ 3,940	\$ 3,940	\$ 3,940	\$ 3,940	\$ 3,940	\$ 3,940	\$ 3,940	\$ 39,399
		SCHEDULED MAINTENANCE ACTIVITY DESCRIPTION >>>>	VISUAL	CHEMICAL CLEAN/WASHOUT	VISUAL	CHEMICAL CLEAN/WASHOUT	VISUAL	CHEMICAL CLEAN/WASHOUT	VISUAL	CHEMICAL CLEAN/WASHOUT	VISUAL	CHEMICAL CLEAN/WASHOUT	VISUAL
		Total Annual Cost	\$ 114,147	\$ 114,147	\$ 114,147	\$ 114,147	\$ 114,147	\$ 114,147	\$ 114,147	\$ 114,147	\$ 114,147	\$ 114,147	\$ 1,141,466
		Quarterly Invoice Charge	\$ 28,537	\$ 28,537	\$ 28,537	\$ 28,537	\$ 28,537	\$ 28,537	\$ 28,537	\$ 28,537	\$ 28,537	\$ 28,537	

PROPOSAL SUBMISSION BY: (company name): Utility Service Co., Inc.

PROPOSAL SIGNED BY (signature): 

NAME OF PERSON: (print name): Jonathan Cato

TITLE OF PERSON: (print title): Chief Operating Officer

DATE OF SIGNATURE: February 10, 2023

ADDRESS OF COMPANY: 535 Gen. Courtney Hodges Blvd.

ADDRESS OF COMPANY: P O Box 1350

CITY OR TOWN: Perry

STATE AND ZIPCODE: GA 31069

City Council City of Brady, Texas Agenda Action Form

AGENDA DATE:	10/03/2023	AGENDA ITEM	7.B.
AGENDA SUBJECT:	Discussion regarding concerns about drug issues in Brady as requested by Angie Turner		
PREPARED BY:	A. Garcia / T. Keys	Date Submitted:	09/29/23
EXHIBITS:			
BUDGETARY IMPACT:	Required Expenditure:		\$00.00
	Amount Budgeted:		\$00.00
	Appropriation Required:		\$00.00
CITY MANAGER APPROVAL:			

SUMMARY:
<p>Mayor Garcia requested this item be added to agenda.</p>

RECOMMENDED ACTION:
<p>Discussion item only</p>