

**Agreement with
Severn Trent Environmental Services
For Operation and Maintenance
Of the City of Gallup's
Wastewater Treatment Plant,
Effluent Reuse Pumping Facilities
And Collection System Lift Stations**

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Schedules

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- 8 - City's Equal Employment Opportunity Program
- 9 - Manual of Uniform Traffic Control Devices (Federal Highway Administration as may be modified by the City)
- 10 - New Mexico Standard Specifications for Public Works Construction (New Mexico Chapter of American Public Works Association as may be modified by the City)

**Agreement for Operation and Maintenance
Of the City of Gallup's
Wastewater Treatment Plant,
Effluent Reuse Pumping Facilities
And Collection System Lift Stations**

This Agreement for Operations and Maintenance ("Agreement") is made and entered into as May 27, 2010, by and between Severn Trent Environmental Services (the "Company"), a Texas corporation, having its principal place of business at 16337 Park Row, Houston, Texas, and authorized to do business in the State of New Mexico and the City of Gallup, New Mexico (the "City"). The City or the Company or both may be referred to herein as the "Party" or the "Parties", as the context of the usage of such term may require.

RECITALS:

WHEREAS, the City owns, operates and maintains wastewater collection system lift stations, a wastewater treatment facility and pumping facilities for the reuse of treated wastewater (collectively "the Facilities and Systems");

WHEREAS, the City issued a Request for Qualifications ("RFQ") on November 6, 2009 for the operation and maintenance of the Facilities and Systems;

WHEREAS, the Company, in response to said RFQ, submitted a Statement of Interest and Qualifications describing its experience and interest in being selected to perform such services;

WHEREAS, the Company was notified by the City that it met the requirements of the RFQ and was invited to submit a proposal in response to a Request for Proposals ("RFP");

WHEREAS, the City issued an RFP on December 18, 2009 for operation and maintenance of the Facilities and Systems;

WHEREAS, the Company, in response to said RFP, submitted a proposal for the operation and maintenance of the Facilities and Systems;

WHEREAS, on _____, 2010 the City Council approved the selection of the Company, pursuant to the RFP and the Company's proposal to operate and maintain the Facilities and Systems, in accordance with the terms, conditions and provisions of this Agreement and in reliance on the Company's representation in the response to the RFP of its skill, expertise and past successful experience operating and maintaining other systems;

WHEREAS, the City desires to engage the services of the Company for the operation and maintenance of the Facilities and Systems and the Company desires to perform such services for the compensation provided herein;

WHEREAS, Severn Trent, Inc., jointly and severally ("Guarantor") shall have executed, prior to the Commencement Date (as defined in Section 2), the Guarantee set forth in Schedule 1 to guarantee the Company's performance of its obligations under this Agreement;

NOW, THEREFORE, in consideration of the mutual agreements herein contained, and the terms and conditions hereinafter set forth, the Company and the City do hereby agree as follows:

Section 1.0 Documents

Section 1.01 Agreement Documents. The following Schedules are attached hereto and made a part of this Agreement. In the event of a conflict or inconsistency between or among the Schedules and the Agreement, it is agreed that the provisions of the Agreement control over the Schedules.

- Schedule 1 - Guarantees
- Schedule 2 - Facilities and Systems
- Schedule 3 - Planned Capital Improvements
- Schedule 4 - Maximum Electricity Guarantee
- Schedule 5 - Equipment, Materials, Supplies and Chemical Inventory
- Schedule 6 - Capital Repair or Replacement Cost Allocation Examples
- Schedule 7 - Disclosures
- Schedule 8 - City's Equal Employment Opportunity Program
- Schedule 9 - Manual of Uniform Traffic Control Devices, Federal Highway Administration (as may be modified by the City)
- Schedule 10 - New Mexico Standard Specifications for Public Works Construction (New Mexico Chapter of American Public Works Association as may be modified by the City)

This Agreement, together with the foregoing Schedules, constitutes the entire Agreement between the Company and the City with respect to the operation and maintenance of the Systems, shall exclusively govern the obligations of the Parties, and supersedes all prior negotiations, representations and agreements, written or oral, prior to the date of this Agreement.

Section 2.0 Definitions

Section 2.01 Terms Generally. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation".

Section 2.02 Definitions. For purposes of this Agreement, the following words and phrases

shall have the following respective interpretations and meanings:

"Affiliate" means the Guarantor and any corporation, partnership, joint venture or other entity controlled by, controlling or under common control with, directly or indirectly, the Guarantor, the Company or any one of such entities.

"Applicable Law(s)" means any federal, State, City or local ordinance, statute, law, municipal charter provision, regulation, rule, mandate, judgment, order, decree, permit, code or license requirement or other governmental requirement or restriction, or any interpretation or administration of any of the foregoing by any governmental authority, which applies to the services or obligations of either Party under this Agreement, whether now or hereafter in effect.

"Authorized Representative" for the Company means the representative as designated in Section 19; for the City means the City's O&M Administrator.

"Base Fee" means the annual amount payable to the Company by the City for the services provided under this Agreement calculated in accordance with Section 8.01.

"Billing Month" means each calendar month in each Contract Year, except that (a) the first Billing Month shall begin on the Commencement Date, and (b) the last Billing Month shall end concurrently with the end of the term or termination of this Agreement.

"Biosolids" means the byproducts resulting from wastewater treatment.

"Capital Expenditure" means a purchase of new equipment, systems, materials or components thereof which are added to as an expansion, upgrade or replacement of the City's Facilities and Systems and costs for such expenditures are the responsibility of the City and become the property of the City.

"Capital Project" means a planned project involving purchase of new equipment, systems, materials or components thereof which are added to as an expansion, upgrade or replacement of the City's Facilities and Systems and costs for such expenditures are the responsibility of the City and become the property of the City.

"Change in Law" means the enactment, adoption, promulgation, modification, repeal or change after the Contract Date of any Applicable Law which (a) necessitates or makes advisable a Capital Project; (b) modifies the Company's guarantees under this Agreement; (c) increases the Service Fee by establishing requirements with respect to the operation or maintenance of the Systems; or (d) otherwise impacts the Company's ability to perform its obligations under this Agreement which are more burdensome than the most stringent requirements:

- (1) in effect on the Contract Date,
- (2) agreed to by the City as of the Contract Date in any applications for official permits, licenses or approvals for the Systems, other than any

- requirements set forth in said applications to comply with Applicable Laws, or
- (3) in the Performance Standards and Guarantees in Schedule 1 and Operation and Maintenance Standards in Schedule 2.

For purposes of this definition, no enactment, adoption, promulgation or modification of Applicable Laws shall be considered a Change in Law if, as of the Contract Date, such Applicable Law would have directly affected the continued operation and maintenance of the Systems by the City after the Commencement Date in the absence of this Agreement and either such Applicable Law was (a) officially proposed by the responsible agency and promulgated in final form in the Federal Register or equivalent federal, State or local publication and thereafter becomes effective without further action; or (b) enacted into law or promulgated by the appropriate federal, State or local body before the Contract Date, and the comment period with respect to which expired on or before the Contract Date and any required hearings concluded on or before the Contract Date in accordance with applicable administrative procedures and which thereafter becomes effective without further action. In no event shall a change in any federal, State or local tax law be considered a Change in Law.

"Commencement Date" means the date thirty (30) days after the City gives the Company notice that all of the conditions precedent in Section 3 have been satisfied or waived but not before June 1, 2010. On and after the Commencement Date, the Company shall commence and continue its obligations under this Agreement.

"Contract Date" means the date of the execution of this Agreement.

"Contract Year" means the 12-month period beginning July 1 and ending June 30.

"Corrective Maintenance" means those non-routine and/or non-repetitive activities required for service and operational continuity, including but not limited to equipment unit or system unit repairs and/or activities necessary to restore customer service or to assure safety and performance, or activities resulting from predictive maintenance surveys which are taken to avert the failure of an equipment unit or system unit or any component thereof. Failure or potential failure of an equipment unit or system unit may be caused by excessive or unusual wear, past maintenance deficiencies or normal deterioration. Materials used in Corrective Maintenance activities are generally considered nonconsumable materials required or replaced on a non-routine basis or frequency greater than one (1) year. Corrective Maintenance activities do not include repairs which alter, modify or otherwise functionally change the operation of the equipment unit or system unit, or major activities which would greatly extend or refurbish equipment significantly beyond its normal engineering useful life, as defined in Generally Accepted Accounting Principles (GAAP).

"Council" means the governing body of the City of Gallup, New Mexico.

"Emergency" means those unforeseen circumstances, situations or conditions that call for

immediate action and/or repair to protect the safety of the public or Company's employees, to protect the safety or integrity of the Facilities and Systems, or to mitigate the immediate consequences of the event.

"Electricity Budget" means that portion of the Base Fee set aside for the purchase of electricity, inclusive of electricity usage, electrical demand and other electric service charges, the annual amount of which is based on: (a) actual unit usage (i.e., kWh per million gallons) for the previous Contract Year; (b) the 36-month rolling average for influent flow measured at the wastewater treatment plant; (c) the annual average cost per kilowatt-hour inclusive of electricity usage charges, electrical demand charges and all other electric service charges; and (d) any changes that the City may propose in the applicable tariff for the applicable Contract Year..

"Engineer" means a person who is qualified and licensed to practice engineering in the State of New Mexico and as further defined in New Mexico State Statutes 61-23-3 NMSA 1978.

"Engineering" means any engineering work as defined in New Mexico State Statutes 61-23-3 NMSA 1978.

"EPA" means the United States Environmental Protection Agency and any successor.

"Equipment" means equipment, including operating and processing equipment, tools and rolling stock, owned or leased by the City and in use as of the Commencement Date, or procured or provided on or after the Commencement Date by the Company or the City pursuant to this Agreement for use at or associated with the Systems.

"Equipment Unit" means a single stand alone equipment item such as a pump including motor, pump unit, electrical controls and panel, and valves, expressed as "wire-to-water" components thereof.

"Facilities and Systems" means the City's buildings, grounds, structures, mechanical equipment, electrical equipment, meters, instrumentation and computers, underground piping and structures, tools, records and files, databases, on-site paved and unpaved roads, fencing and all appurtenances thereto and as further described in Section 6.

"Force Majeure" means any act, uncontrollable circumstance, event or condition that has a direct material adverse effect on the performance of the subcontractor's or supplier's obligations to the Company if such act, uncontrollable circumstance, event or condition is beyond the reasonable control of the subcontractor or supplier asserting a Force Majeure as justification for not performing its obligations; provided, however, such act, event or condition cannot be caused by the negligent or intentional action of the subcontractor or supplier.

"Guarantee" means the agreement between the Guarantor and the City set forth in Schedule 1.

"Guarantor" means the Person which executed the Guarantee.

"Maintenance and Repair Budget" means that portion of the Base Fee set aside for maintenance and repair, the annual amount of which is subject to approval by the City. Expenditures made from this amount include maintenance-related consumables, supplies, spare parts and similar expenditures, plus Major Corrective Maintenance

"Major Corrective Maintenance" means Corrective Maintenance whereby costs to effect such repair or replacement on an equipment unit or system exceeds the Company labor, equipment and material costs of five thousand dollars (\$5,000.00)

"Net Base Fee" means the Base Fee net of the annual Electricity Budget and the annual Maintenance and Repair Budget.

"NMED" means the New Mexico Environment Department and any successor.

"Person" means any natural or artificial entity including an individual, corporation, limited liability company, partnership, joint venture, association, joint stock company, trust, unincorporated organization, or government or any agency or political subdivision thereof.

"Preventive and Predictive Maintenance" means those routine and/or repetitive activities (including but not limited to regular lubrication, cleaning, replacement of drive belts and/or other consumable components, adjustment and alignment, etc.) required or recommended by the equipment or system manufacturer or by the City or the Company which are consistent with industry standards and are regularly scheduled to maximize the useful life of the City's Facilities and Systems. Predictive maintenance activities may include but are not limited to thermographic scans and analyses, vibration analysis, oil and lubricant analysis.

"Qualifying Flood" means a 100-year flood event which causes damage to the Facilities and Systems requiring Capital Repair or Replacement.

"Section" means a Section of this Agreement.

"Sewer Line" means sewerage piping and tunnels, conduits, manhole structures and drop shafts, exclusive of pump stations or other structures containing mechanical, electrical or instrumentation equipment.

"State" means the State of New Mexico and all of its relevant administrative, contracting and regulatory agencies and offices.

"System" means the wastewater systems described in Section 6.

"System Unit" mean a module of equipment, equipment units or components within a treatment train or a unit process which comprises a treatment train or an instrumentation loop including all loop components.

"Uncontrollable Circumstance(s)" means any act, event or condition that prevents the Company or the City from meeting, or results in an increase of the cost of performing, its obligations under this Agreement, if such act, event or condition is beyond the reasonable control of the Party asserting an Uncontrollable Circumstance as justification for not meeting or performing such obligations; provided, however, with respect to the Company's obligations, such act, event or condition is not the result of the Company's failure to operate and maintain the Facilities and Systems in accordance with the terms and conditions of this Agreement.

- (1) Subject to the immediately preceding paragraph of this definition, the following acts, events or conditions may qualify as an Uncontrollable Circumstance:
 - (a) Qualifying Flood, hurricane, tornado, epidemic, severe earthquake, catastrophic fire or explosion, act of a public enemy, war, blockade, insurrection, riot, general unrest, restraint of government and people, civil disturbance, sabotage, pandemic event or other similar occurrence;
 - (b) the order, injunction or judgment of any federal or State court, administrative agency or governmental body or officer with jurisdiction over the City or of the City acting in its governmental capacity, including any exercise of the power of eminent domain, police power, condemnation or other taking by or on behalf of any public, quasi-public or private entity; provided, however, that such order, injunction or judgment did not arise in connection with or be related to the negligent or wrongful action or inaction of the Party relying thereon and that neither the contesting in good faith of any such order, injunction, or judgment nor the reasonable failure to so contest shall constitute or be construed as a wrongful or negligent action or inaction of such Party;
 - (c) the suspension, termination, interruption, denial, failure to issue, modification or failure of renewal of any permit, license, consent, authorization or approval necessary to the operation and maintenance of the Systems, if such act or event did not arise in connection with or be related to the negligent or willful action or inaction of the Party asserting an Uncontrollable Circumstance, provided, however, that neither the contesting in good faith of any such order nor the reasonable failure to so contest shall be construed as a negligent or willful action or inaction of such Party;
 - (d) a Change in Law;

- (e) the loss or inability to obtain any and all utility services, including biosolids and/or grit disposal and electric power, necessary for the operation and maintenance of the Facilities and Systems directly resulting in a partial or total curtailment of operations of the Facilities and Systems for reasons other than the negligent, willful or wrongful action or inaction of the Company; and,
 - (f) the failure of any subcontractor or supplier, other than a Company subsidiary or Affiliate, to furnish services, materials, chemicals or equipment on the dates agreed to; provided such failure is (a) caused by an act, event or condition affecting the performance of such subcontractor or supplier that would be an Uncontrollable Circumstance if it directly affected the Company, (b) materially and adversely affects the Company's ability to perform its obligations, and (c) the Company is not able reasonably to obtain substitute services, material, chemicals or Equipment on the agreed upon dates.
 - (g) influent wastewater entering the wastewater treatment plant exhibiting abnormal characteristics, or containing toxic material or any substance which cannot be treated by the plant using its unit processes.
- (2) An Uncontrollable Circumstance shall not include:
- (a) any act, event or condition which is caused by the negligence or intentional action of the Company or the City, their subcontractors, agents and employees;
 - (b) any event, reasonably foreseeable on the Contract Date;
 - (c) economic infeasibility;
 - (d) any labor strike, work stoppage or slowdown on the part of the Company's or an Affiliate's employees;
 - (e) any order, injunction or judgment of any federal, State or local court, administrative agency or governmental body interpreting federal, State, or local tax laws; and
 - (f) weather conditions including wind, heat, cold, lightening, thunderstorms, floods other than Qualifying Floods, in the geographic area of the City, other than those listed in (1)(a) of this definition.

Section 3.0 Conditions Precedent

Section 3.01 Conditions Precedent. All rights, obligations and liabilities of the City shall be subject to the satisfaction of the following conditions precedent:

- (1) The Guarantor shall have executed the Guarantee;
- (2) The Company shall have delivered to the City: (i) a certificate executed by an authorized officer of the Company, dated as of the Commencement Date, to the effect that each of the representations of the Company set forth in Section 3 of this Agreement is true and correct in all material respects as if made on such date; and (ii) an opinion of counsel to the Company, in customary form and reasonably acceptable to the City, to the effect set forth in Sections 3;
- (3) The City shall have received in accordance with Section 10.05 of this Agreement adequate proof that all policies of insurance required to be obtained by the Company pursuant to this Agreement have been obtained and are in effect;
- (4) No action, suit, proceeding or official investigation shall have been overtly threatened or publicly announced or commenced by any Person or federal, State or local governmental authority or agency, other than the City, in any federal, State or local court that seeks to enjoin, assess civil or criminal penalties against, assess civil damages against or obtain any judgment, order or consent decree with respect to the City or the Company as a result of the City's or the Company's negotiation, execution, delivery or performance of the Agreement;
- (5) No change shall have occurred after the Contract Date and on or before the Commencement Date in any Applicable Law that would make the execution or delivery by the City or the Company of this Agreement or that would make compliance by the City or the Company with the terms and conditions of this Agreement, a violation of Applicable Law;
- (6) All of the documents, approvals or authorizations listed in this Section 3 shall be in full force and effect on the Commencement Date;
- (7) The City Council shall have approved the execution of this Agreement by the Mayor on behalf of the City.

Section 3.02 Satisfaction of City Conditions Precedent. The City shall exercise good faith and due diligence in satisfying the conditions precedent identified in Section 3.01 and shall give the

Company written notice within five (5) days after the last of such conditions precedent have been satisfied or waived. If such conditions are not so satisfied or waived on or before one (1) year after the Contract Date, then either Party, by written notice to the other, may terminate this Agreement. If either Party shall give such termination notice to the other, neither Party shall be liable to the other for the termination of this Agreement, and each Party shall bear its respective costs and expenses attributable to the transaction herein contemplated.

Section 4.0 Independent Contractor

Section 4.01 General. It is agreed by the parties that at all times and for all purposes the Company is an independent entity. No employee of the Company shall be construed to be an employee of the City, nor shall any employee of the City be construed to be an employee of the Company. No employee of one party shall be entitled to any rights, privileges or benefits accorded to employees of the other party.

It is understood that the relationship of the Company to the City is that of an independent contractor, and the Company is responsible for the payment of all taxes, including the Gross Receipts Tax, assessments and charges on its activities carried out pursuant to this Agreement. Should a local, state or federal tax related to the sale of water or wastewater services by the City be imposed in the future, the City shall be responsible for payment of such taxes. The Company is an independent contractor responsible for providing operations, maintenance and management services and has no ownership in the facilities, services or products created by operation of the City's Facilities and Systems.

Section 5.0 Term of the Agreement

Section 5.01. Initial Term. This Agreement is for an initial term of five (5) years, subject to appropriation of funds by City Council, beginning on the Commencement Date in accordance with applicable state and federal law. The five (5) year term shall end on June 30, 2015.

Section 5.02. Option to Renew. The City shall have an option to renew this Agreement for an additional term of three (3) years beyond the initial term also in accordance with applicable state and federal law. The decision to exercise this option shall be at the sole discretion of the City.

Section 5.03. Notice. Notice to exercise the option to renew shall be given by the City no later than ninety (90) days prior to expiration of the initial term. Should Company choose not to accept the City's offer to renew, Company shall notify the City no later than sixty (60) days prior to the expiration date of the original term of this Agreement, and in such case the Agreement shall expire at the end of the initial term, and neither Company nor City shall have any further liability thereafter, except as may otherwise be provided under this Agreement. Notice by either party shall be given in accordance with Section 19.

Section 6.0 Facilities and Systems

Section 6.01. General. The Company agrees to furnish services of its various employees, associates and staff in the professional operation, maintenance and management of the Facilities and Systems defined in Schedule 2, and at locations also described in Schedule 2. For purposes of this Agreement, the term "perimeter fencing" shall also include City's associated property outside the perimeter fence where appropriate or where no such fencing exists.

Section 6.02. "As-Is" Condition of Facilities and Systems. The City makes no representation or warranty with respect to the Facilities and Systems. Based on Company's review of the design drawings, plans, specifications, operating data and other information pertaining to the Facilities and Systems, its inspections of the Facilities and Systems, and other inquiries and investigations made by the Company prior to the Contract Date which the Company acknowledges to be sufficient for this purpose, the Company assumes the risk of the adequacy and sufficiency of the design of the Facilities and Systems and the existing, "as-is" condition of the Facilities and Systems as such design or condition may affect the ability of the Company to comply with applicable law, meet the performance requirements, meet its maintenance, repair and replacement obligations or perform any of its other obligations under this Agreement for the compensation provided for herein. The Company agrees that any patent defect, inoperability, inadequacy or other condition or aspect of the design or existing condition of the Facilities and Systems which exists as of the Contract Date or which may be revealed during the performance hereof shall not be an Uncontrollable Circumstance. Further, Company agrees that any latent defect, flaw, error in design, or existing condition of the Facilities and Systems which exists as of the Contract Date or which may be revealed during the performance hereof shall be considered an Uncontrollable Circumstance for a period of up to two (2) years from the Commencement Date. During this period, Company shall document and report all such conditions to the City in a timely manner. Thereafter, any such latent defect, flaw, error in design, or existing condition of the Facilities and Systems shall not be an Uncontrollable Circumstance.

Section 6.03. Use of Facilities and Systems. City's Facilities and Systems are to be operated, maintained and managed for the sole benefit of City. Company agrees that the Facilities and Systems, including but not limited to plant and lift station sites, buildings, offices, structures, and inventory and equipment owned by City and furnished for Company's use in connection with this Agreement shall be used exclusively for the benefit of City except as may be provided for elsewhere in this Agreement.

Section 7.0 Scope of Services

Section 7.01 Application. This scope of services applies to the City's Facilities and Systems.

Section 7.02 Company Responsibilities—Operations. The Company agrees to provide highly-trained, professional, qualified and experienced personnel, who meet applicable State of New Mexico certification and/or licensing requirements, to operate, maintain and manage the City's Facilities and Systems as described in Schedule 2 in the highest and best professional manner.

The Company shall provide all operation, maintenance and management; appropriate and sufficient equipment and inventory; laboratory activities; regulatory reporting; and quality control and quality assurance necessary to professionally manage and operate the City's Facilities and Systems in compliance with legal and regulatory requirements and at levels consistent with the City's goals and objectives including, but not limited to, provision of the following:

- (1) computer-based process control and maintenance management systems;
- (2) professionally-developed and proven quality assurance systems;
- (3) professionally-developed laboratory quality assurance and quality control (QA/QC);
- (4) employee safety program meeting applicable regulatory requirements;
and
- (5) Facility and System site security.

This broad scope of services is subject to the following terms and conditions:

(A) Wastewater Treatment Facilities

- (1) Facilities Operations. The Company shall:
 - (a) Operate and maintain the Wastewater Treatment Plant, including all encompassing treatment unit processes, equipment, systems and structural appurtenances and grounds, in a professional and cost-effective manner, and consistent with generally accepted standards for primary and advanced secondary level wastewater treatment such that treated wastewater meets the requirements of all applicable governmental regulatory agencies including those requirements as specified in the City's wastewater treatment plant NPDES Permit No. NM 0020672, at a daily average flow rate and daily average Biochemical Oxygen Demand (BOD) loading rate and daily average Total Suspended Solids (TSS) loading rate not exceeding the plant design parameters for such loading rates. The Company shall be relieved of this responsibility if the wastewater treatment plant is rendered inoperable for an Uncontrollable Circumstance. The Company agrees that if an Uncontrollable Circumstance occurs, the Company will take all reasonable steps to either prevent environmental violations or dangerous situations or keep the number of such violations or situations to a minimum.
 - (b) Provide security of the wastewater treatment plant.

- (c) Operate and maintain as needed the wastewater treatment plant unit processes and their respective appurtenances including but not limited to: preliminary treatment; septage receiving and processing; influent pumping; primary clarification; advanced secondary treatment; secondary clarification; chlorination and dechlorination; filtration, aerobic digestion; biosolids dewatering by mechanical means and/or drying beds; biosolids drying by mechanical means and/or drying beds, biosolids stockpiling; hauling and land application of liquid biosolids, dewatered biosolids and/or dried biosolids; and housekeeping and grounds keeping.
- (d) Operate the Septage Receiving Station from 8:00 am to 5:00 pm daily Monday through Friday excluding those holidays recognized by the City. The station shall be appropriately staffed so as to assure proper and timely monitoring, record-keeping and coordination of activities and operations.
- (e) Collect, store and manage, including control of odor, all grit and screenings removed from the preliminary treatment processes pending regularly scheduled removal from the plant site by the City or its successor.
- (f) Haul and dispose of all processed wastewater biosolids at disposal site(s) authorized by the City and approved by the State of New Mexico or other regulatory agencies having jurisdiction including those requirements as specified in the City's Groundwater Discharge Permit DP-418. The Company shall be responsible for any and all testing and monitoring of processed wastewater biosolids that may be required by the State of New Mexico or other governmental agencies having jurisdiction. The Company shall be responsible for all regulatory reporting related to the final disposal of processed wastewater biosolids.
- (g) Operate and maintain the Effluent Reuse Pumping System serving the city's Golf Course, Sports Complex and Soccer Fields. Such effluent reuse is approved by the State of New Mexico under the Groundwater Discharge Permits DP-1342, DP-95 and DP-1068. The Company shall be responsible for any and all testing and monitoring of processed wastewater effluent that may be required by the State of New Mexico or other governmental agencies having jurisdiction. The Company shall be responsible for all regulatory reporting related to the approved effluent reuse.

- (h) The rated average daily flow rate of the existing Wastewater Treatment Plant is 3.50 MGD, average daily BOD loading rate of 7,000 pounds per day, and average daily TSS loading rate of 5,800 pounds per day.

- (2) Utilities, Materials, Supplies, Chemicals and Other Consumables. The Company shall be responsible for the procurement of all utilities (including electricity, water, telephone, solid waste pick-up and disposal, etc.), materials, supplies, chemicals and other consumables as may be necessary for proper operations of the wastewater treatment plant such that under normal operating conditions treated wastewater quality meets all existing requirements of all applicable regulatory agencies. Electrical power shall be provided by the City and paid for by the Company under the City's applicable rate tariff.

- (3) Noise and Odors. The Company shall operate the wastewater treatment plant and biosolids disposal sites in a manner to prevent and/or minimize the generation of noise and odors outside from the normal background levels and within the capabilities of the treatment unit processes provided and through on-going noise and odor control programs, and shall deal in a professional manner with any individual or community group concerned with noise, odors, or any other facets of the plant operations.

- (4) Other Requirements. The Company shall:
 - (a) Maintain written standard operating procedures (SOPs) to clarify, refine or supplement procedures provided in O&M manuals, or to describe operational and/or maintenance practices that may not conform with O&M manuals.
 - (b) Install, utilize and maintain computerized process control and maintenance management software, databases, information, and licenses and user agreements.
 - (c) Subject to review and approval by the City's authorized representative, issue all public notices of non-compliance with NPDES standards and requirements as required by regulatory agencies.
 - (d) Subject to review and approval by the City's authorized representative, develop and submit any Risk Management Plan (RMP) required by regulatory agencies.

- (e) Have use of the following City-owned equipment located at the Wastewater Treatment Plant subject to applicable provisions of this Agreement: 2 pick-up trucks, 2 small utility vehicles, 1 skid-steer loader, and 1 6-inch trash pump. However, should said equipment require replacement at any time during the term of this Agreement, replacement shall be at Company's sole expense. Such replaced equipment will be property of the Company.
- (f) Have use of the sludge disposal equipment (i.e., sludge injector, farm tractor with disc plow, and dump truck) subject to applicable provisions of this Agreement. Said equipment shall be used only for disposal of sludge on the City's designated site and not for any other purpose.

(B) Wastewater Collection System Lift Stations

- (1) System Operations. The Company shall operate, maintain and repair the City's wastewater collection system lift stations, as described herein, in accordance with generally accepted industry standards, applicable environmental regulations, and in such a manner as to efficiently pump wastewater within the City's wastewater collection system and deliver it to the Wastewater Treatment Plant. The Company shall provide all appropriate and necessary equipment, and shall be responsible for procurement of all materials, supplies, chemicals and other consumables as may be necessary for proper operation, maintenance and repair of the wastewater collection system lift stations. Electrical power shall be provided by the City and paid for by the Company under the City's applicable rate tariff.
- (2) Response Times. The Company shall respond to any report of loss and/or disruption of wastewater collection system lift station operations or potential thereof, or related upstream manhole surcharging as may be reported by any source within the City's service area as soon as possible, but in any event within two (2) hours of being notified or otherwise learning of such conditions or problems in the wastewater collection system.
- (3) Lift Station Repairs. The Company shall take any and all necessary measures to remedy lift station failure(s) and any consequential surcharging, overflows and spills of pipelines or manholes and shall be responsible for clean up and abatement resulting from such conditions.
- (4) System Excavation, Backfill and Resurfacing. In the course of performing work on the City's wastewater collection system lift stations, the

Company shall be responsible for all related traffic control in accordance with City's "Manual of Uniform Traffic Control Devices" (Federal Highway Administration as may be modified by the City) (see Schedule 9), which may be revised from time to time, including warning signs and proper maintenance of open cuts and excavation, and backfilling and compaction of such excavation in accordance with the City's standards and specifications for construction and traffic control procedures. The Company shall provide backfill materials and shall compact such excavation material to the City's standards for resurfacing. If the required excavation is within City right-of-way, the Company shall arrange for finished pavement resurfacing. If necessary, Company also shall be responsible for resodding, replanting and/or other surface restoration at Company expense. If the required excavation is outside of City right-of-way, the Company shall be responsible for finished pavement resurfacing, resodding, replanting and/or other surface restoration at Company expense. The City shall have the right to inspect and test any or all excavation, backfilling and compaction, and resurfacing operations to assure conformance with the City's standards and specifications for such construction. If deficiencies are found, the Company shall immediately correct said deficiencies at no additional cost to the City.

- (5) Lift Station Complaints. The Company shall make reasonable efforts in being responsive to the City and the City's customer inquiries, complaints or requests to the extent that a problem is identified and measures are taken to determine the cause and to effect a satisfactory solution. The Company shall not be responsible for inquiries, complaints or requests which result from problems beyond the Company's control or result in requiring alterations, modifications, adding to or deleting from any existing components of the wastewater collection system, except for components which the City designates as abandoned.
- (6) Lift Station Operations Program. The Company shall:
 - (a) Implement a lift station operations program which will include, at a minimum, daily inspection, weekly cleaning and quarterly control loop testing for all locations, except that minimum inspection for the Red Rock lift station shall be weekly with more frequent inspections during events at the Red Rock Park.
 - (b) Perform efficiency tests on all wastewater lift station pumps at locations as described herein (see Schedule 2). Each pump shall be tested during the initial year of this Agreement and every three (3) years thereafter. Test protocol and schedule shall be developed within 120 days of the Commencement Date and presented to the

City for review. Results shall be transmitted to the City representative within 30 days of completion of the test(s).

(c) Maintain documentation of such operations archived in digital format, and shall at least monthly report deficiencies to the City for purposes of planning and scheduling any capital improvements or major maintenance needs.

(d) The City shall provide the Company with copies of the City's official record drawings of the wastewater collection system lift stations at no cost to the Company.

(C) Effluent Reuse Pumping Facilities

(1) Facilities Operation. The Company shall operate, maintain and repair the City's Effluent Reuse Effluent Reuse Pumping Facilities, as described herein, in accordance with generally accepted industry standards, applicable environmental regulations, and in such a manner as to efficiently pump treated wastewater effluent to the City's reuse system for delivery to the City's Golf Course, Sports Complex and Soccer Fields. The Company shall provide all appropriate and necessary equipment, and shall be responsible for procurement of all materials, supplies, chemicals and other consumables as may be necessary for proper operation, maintenance and repair of the Effluent Reuse Pumping Facilities. Electrical power shall be provided by the City and paid for by the Company under the City's applicable rate tariff.

(2) Effluent Reuse Pumping Facilities Operations Program. The Company shall:

(a) Implement an Effluent Reuse Pumping Facilities operations program which will include, at a minimum, daily inspection, weekly cleaning and quarterly control loop testing.

(b) Perform efficiency tests on all Effluent Reuse Pumping Facilities pumps. Each pump shall be tested during the initial year of this Agreement and every three (3) years thereafter. Test protocol and schedule shall be developed within 120 days of the Commencement Date and presented to the City for review. Results shall be transmitted to the City representative within 30 days of completion of the test(s).

(c) Maintain documentation of such operations archived in digital format, and shall at least monthly report deficiencies to the City for

purposes of planning and scheduling any capital improvements or major maintenance needs.

- (d) The City shall provide the Company with copies of the City's official record drawings of the Effluent Reuse Pumping Facilities at no cost to the Company.

(D) Industrial Pretreatment Program (IPP)--**reserved**

(E) Laboratory Facilities

- (1) Laboratory to Remain in Operation. The Company shall operate and maintain the City's central laboratory at the wastewater treatment plant at its historic level and scope of services in support of City wastewater programs. The level and scope of laboratory services shall not be reduced or diminished in any way without the prior written consent of the City, but may be supplemented through the use of outside laboratory services as may be necessary to meet compliance testing requirements. Use of outside laboratory services shall be subject to approval by the City. Such approval by the City shall not be unreasonable withheld.
- (2) Quality Assurance / Quality Control. The Company shall operate and maintain the City's central laboratory facility as defined herein, and provide quality assurance and quality control programs, and testing and reporting as required by any governmental regulatory agency existing and present requirement for the City's wastewater Facilities and Systems.
- (3) Laboratory Sampling and Testing. The Company shall perform all laboratory sampling and testing currently required by the State of New Mexico Discharge Permit No. NM 0020672, and Groundwater Discharge Permits DP-418, DP-1342, DP-95 and DP-1068. Additional laboratory sampling and testing required by the City will be conducted on a fee per test basis to be determined at the time of request.

Section 7.03 Company Responsibilities--Maintenance

(A) Maintenance and Repair

- (1) Facilities and System Maintenance. Except as provided for elsewhere in this section, the Company shall provide all materials, chemicals, fuel and vehicle expense, consumables and other services necessary to maintain the City's Facilities and Systems and equipment (e.g. mechanical; electrical (including but not limited to switchgear, breakers, motor control centers, emergency generators, etc.), HVAC, instrumentation and control systems,

communications, computer systems, etc.), and perform routine, preventive, predictive and corrective maintenance procedures on the Facilities and Systems, all in a manner that assures the readiness and availability of equipment, processes and systems on a consistent basis, the timely execution of repairs, and which ensures efficiency, long-term reliability and conservation of the City's capital investment. The Company agrees to provide prudent maintenance in accordance with industry standards, equipment manufacturers' instructions, and existing O&M manuals so that at the termination date of this Agreement Facilities and Systems are returned to the City in the same or better condition than at the Commencement Date, normal wear and tear excepted. Work shall be of the highest quality normally associated with work of this kind. Such maintenance and repairs shall not include costs associated with uncontrollable circumstances. The Company also agrees to:

- (a) Maintain written standard maintenance procedures (SMPs) as necessary to clarify, refine or supplement procedures provided in O&M manuals or manufacturers' maintenance manuals, or to describe maintenance practices which do not conform with these manuals.
- (b) Irrigate, mow, fertilize, prune, remove weeds and litter, maintain and repair permanent sprinkler systems and controls, and otherwise maintain landscaping so that it is at all times acceptable to the City's authorized representative.
- (c) Maintain the appearance and cleanliness of all buildings and structures in conditions normally associated with maintenance of a business office or plant, as applicable. Custodial services shall include, but not be limited to: daily vacuuming, emptying of trash, and cleaning and maintenance of restrooms and locker rooms; monthly (or as needed) cleaning and waxing of tile floors; quarterly cleaning of light fixtures, windows, walls and ceilings including application of touch-up paint; ice and snow removal and control; and regular pest control.
- (d) Maintain, repair and replace building floor coverings and floor surface paint and treatments, and paint and repair wall surfaces.
- (e) Provide effective weed control, including application of herbicides, at treatment plant site, wastewater lift stations, etc., to ensure compliance with applicable City ordinances.
- (f) The City agrees to:

- i. Maintain the exterior appearance of buildings including paint, repair of exterior wall surfaces and roofing, and other similar maintenance related tasks to the extent that such repairs are not the result of Company negligence or actions of its employees.
 - ii. Maintain and, as necessary, repair and replace primary and high voltage electrical equipment and systems.
- (2) Maintenance Management Program. Within 120 days of the Commencement Date, the Company shall implement a computer-based maintenance management system capable of providing: a record of repair and repair history for each piece of equipment; monitoring and control of preventive and predictive maintenance tasks and activities and associated costs; monitoring corrective maintenance tasks and activities and associated costs; issue work orders and purchase orders; maintain spare parts inventory; issue exception, equipment status, and repair priority.
- (3) Preventive and Corrective Maintenance Expenditures. The Company shall be responsible for Preventive and Corrective Maintenance expenditures for repair or replacement of an equipment unit or system unit up to a maximum of \$5,000. The Company shall be responsible for all overtime labor costs except that the City shall be responsible for overtime costs for regular hourly employees of the Company performing work scheduled by the City in a manner that necessitates overtime.
- (4) Major Corrective Maintenance Expenditures. The City shall reimburse the Company for Major Corrective Maintenance expenditures for repair or replacement of an equipment unit or system unit to the extent that such expenditure exceeds five thousand dollars (\$5,000). In each separate, not accumulative, Major Corrective Maintenance event exceeding costs of five thousand dollars (\$5,000), the Company shall pay for such expenditures as necessary and invoice the City the amount of the expenditure exceeding five thousand dollars (\$5,000) pursuant to Section 8.02(B). Decisions as to whether to replace or repair parts, equipment, or other facilities and systems or any component thereof costing more than five thousand dollars (\$5,000) will be made jointly by the City and the Company.
- (5) Capital Expenditures. All fixed assets or capital equipment and systems added and made part of and integral to, or replaced in the City's Facilities and Systems during the term of the contract will become the property of the City. The Company shall maintain a perpetual inventory of all capital equipment involving City funds.

- (6) Annual Maintenance Plan, Schedule and Response. In conjunction with the City, the Company shall develop, implement and follow a written Annual Maintenance, Repair and Replacement Plan which shall be utilized by the City for purposes of the Facilities and System capital improvements program. The initial plan shall be submitted to the City within sixty (60) days of the Commencement Date of this Agreement. Thereafter, annual updates to the plan shall be developed and submitted to the City by March 1 of each year. Such plan will be coordinated with expenditure of the Maintenance and Repair Fund (see Section 8.02(B)). If at any time after six months after the commencement of this Agreement the City elects to require a maintenance response schedule, the Company agrees to provide such a schedule and to maintain records necessary to substantiate compliance with such a schedule.

All preventive, corrective and repair maintenance shall be completed in a timely manner. If, in the opinion of the City, preventive, corrective or repair maintenance has been unreasonably delayed, the City agrees to so inform the Company. The Company agrees to respond within five (5) working days outlining the reason for delay. If the City determines that the delay is within the control of the Company, the Company shall be so notified, and the Company agrees to complete the necessary work within ten (10) working days or by a date certain beyond ten (10) days of notification with approval of the City. If the Company fails to complete the work, the City may take steps to have the specific items of work which have not been performed completed by a third party. The cost of completing this work shall be deducted from any monies owing the Company by the City.

- (7) Traffic Control and Specifications and Construction Standards and Specifications. While performing any maintenance, replacement or repair required by this Agreement, the Company shall comply with:
- (a) Manual of Uniform Traffic Control Devices (Federal Highway Administration as may be modified by the City) (see Schedule 9)
 - (b) New Mexico Standard Specifications for Public Works Construction (New Mexico Chapter of American Public Works Association as may be modified by the City) (see Schedule 10)

Section 7.04 Other Company Service Responsibilities.

(A) Company Employees

- (1) Site Manager. The Company designates Mr. Dennis Wing as its Site

Manager. The City has selected the Company to perform the services contemplated under this Agreement based, in part, on the past successful experience and expertise of the designated Site Manager. Accordingly, the Company shall not, absent good cause, replace or remove the City-approved Site Manager during the term of this Agreement without the prior approval of the City. If the City-approved Site Manager shall retire, transfer, or resign the position of Site Manager, or otherwise cease employment with the Company, the Company shall not appoint a successor Site Manager without the prior approval of the City. If the City, in its sole discretion, determines that the Site Manager is performing management in an unsatisfactory manner, or irreconcilable differences or an unworkable working relationship between the Site Manager and the City shall arise, the Company, within thirty (30) days of receipt of written notice from the City, shall replace such Site Manager with a successor acceptable to the City.

- (2) Existing Supervisory and Administrative Personnel. To assist in maintaining continuity in operation and maintenance of City's Facilities and Systems, Company shall examine the qualifications and credentials of incumbent Assistant Wastewater Superintendent and, if found appropriate and acceptable, make a bona fide and competitive offer of employment to said incumbent meeting Company's pre-employment qualifications and screenings. If an offer of employment is not extended by Company, Company shall provide City with written explanations as to Company's specific business-related reasons for its action(s).

If the incumbent Assistant Wastewater Superintendent chooses to become a Company employee, said employee shall not be transferred to any other Company contract location outside of Gallup for a period of two (2) years except at the request of, or with the expressed written consent of, the affected employee.

- (3) Removal of Company Employees. When required in writing by the City's authorized representative, the Company or any subcontractor shall utilize all reasonably available means to remove from the job site or plant site any person who the City reasonably believes is incompetent, disorderly, or has violated the City's generally applicable personnel policies found in the City's Personnel Rules. Once removed, the Company shall not return such person except with the written consent of the City's authorized representative.
- (4) Dress and Safety. Uniforms worn by Company employees shall, at a minimum, display Company name and logo, and employee's name. Company and its employees shall, at a minimum, comply with all City

safety policies applicable to the work site at issue.

(B) Monthly Report

In consultation with the City and within sixty (60) days of the Contract Date, the Company shall develop a listing of reports, the format to be used, and establish the frequency for comprehensive monthly recording and reporting to the City regarding Facilities and Systems operations, regulatory matters, laboratory analyses, maintenance plans and activities, financial status and related matters, permit and compliance results, equipment status, and other relevant information. Monthly reports shall be filed at the City's office in a timely manner and in no event later than five (5) working days after month end.

(C) Regulatory and Monitoring Reports

The Company shall:

- (1) Maintain the current laboratory analysis program and present sampling program in accordance with the latest revision of Standards Methods for the Examination of Water and Wastewater or in accordance with the other testing requirements of the NPDES waste discharge permit or other applicable permits. Specifically, the Company shall familiarize itself with the regulatory monitoring reports required to be made by the City as specified in the NPDES permit referenced above, and shall furnish to the City's offices copies of all completed reports filed in accord with those requirements.
- (2) Prepare and file all reports that may be required by any governmental agency having jurisdiction, and provide record copies to the City.

(D) Weekly Meeting

The Company agrees to meet at least weekly with the City's representative at a regularly scheduled meeting. The purpose of the meeting will be to discuss the issues relative to the management, operation and maintenance of the City's Facilities and Systems. Company representatives shall include all senior level managers. Minutes shall be taken and provided to the City representative.

(E) Annual Report

Not later than ninety (90) days after the end of each contract year, the Company will prepare an annual report of activities and operations in a format approved by the City including an annual financial statement not later than ninety (90) days after the end of each contract year. The Company also will prepare and make

presentations to the City's Utility Commission and to the City Council.

(F) Annual Inspection Report and Capital Plan

On or before March 1 of each year during the term of this Agreement, the Company shall conduct an annual comprehensive plant and system inspection with the City's designated representative, and submit a written report evaluating and documenting conditions, safety or other concerns, and any recommended expenditures for capital improvements projected during the City's upcoming fiscal year, recommended changes in the scope of work herein described, or other recommendations for which the City needs notice in order to incorporate into its fiscal year budget.

(G) Emergency Preparedness Plan

Within 120 days of the Commencement Date, prepare and revise as necessary a comprehensive Emergency Preparedness Plan for interaction and coordination with the City's other departments including, but not limited to, Fire, Police and Public Works, agencies of the County, and other respective jurisdictions. Plan for and deal with any and all emergencies or abnormal conditions that may arise, and use best efforts to maintain or restore wastewater and reuse services to the City's customers.

(H) Working Relationships

The Company shall maintain professional, responsible and responsive working relationships with the City's customers, the City's other departments, representatives of the City, regulatory agencies, and other entities with which the City may have dealings.

(I) Improvements in Effectiveness and Efficiency

The Company shall actively pursue improvements in effectiveness and efficiency, and the cost of operations and maintenance, and share any cost savings with the City as agreed upon in this Agreement.

(J) Warranties Enforcement

The Company will maintain and enforce any warranties or guarantees on any equipment or system owned by the City or purchased on behalf of the City and used by the Company in carrying out this Agreement, unless and otherwise mutually agreed upon differently by the City and the Company.

Section 7.05 Other Requirements

(A) Communications

- (1) Routine Communications. The Company agrees to maintain routine communications with the City's departments which have an interest in coordination of operations of the City's Facilities and Systems. Such departments and their interests include but are not limited to:
 - (a) Fire - wastewater collection system lift station repairs requiring emergency vehicle detour, etc.;
 - (b) Police - wastewater collection system lift station repairs requiring traffic and emergency vehicle detour, etc.;
 - (c) Claims Manager – sewer backups and damage to private property (including incident documentation, photographs, etc.);
- (2) News Media. The Company shall consult with the City prior to responding to inquiries regarding operation of the City's Facilities and Systems or other activities of the City or of the Company with regard to services under this Agreement.
- (3) Other Communications. The Company may not utilize the name of the City of Gallup, Gallup Joint Utilities, any of its facilities, employees, officers, or Council members in any advertising, brochures, public relations documents or news releases without the express written consent of the City. The Company may furnish prospective clients with the City's name, address and telephone number for the purpose of providing client references provided, however, that the Company shall provide the City with a written release from any liability that may arise from providing such reference.

(B) Software Transfer and Records Ownership

- (1) In the event this Agreement is terminated or not renewed, the Company will furnish the City, at such time as the Facilities and Systems are returned to the control of the City, all information, data and databases, and computer software used in the operation and maintenance of the City's Facilities and Systems, and in preparation of reports and other information necessary for the City to operate its Facilities and Systems. The Company shall also transfer to the City any licenses or user agreements for said software, at no cost to the City, upon termination or non-renewal of this

Agreement. Upon termination, expenses related to maintenance of licenses or user agreements shall become cost of the City. Software programs developed by the Company and provided under this Agreement shall remain property of the Company, except that the Company shall grant to the City a perpetual royalty-free license to use such software developed by the Company. The City may not sell, license or authorize any third party to use such software programs without Company consent.

- (2) All data, databases and information collected or generated by the Company in carrying out this Agreement shall be and remain the property of the City and shall be turned over to the City at any time this Agreement is terminated or not renewed.

(C) Facilities and System Information

City Information Made Available. The City shall provide at no cost to the Company copies of any warranty information, treatment facility, collection system and lift station drawings, calculations, maintenance manuals, operational records, logs, reports, submittals, test records, repair records, cost records, audits and general correspondence that may be in the City's possession or that of their agents, related to the design, condition, expansion or operation of the herein defined Facilities and Systems as the Company will need such documents in the course of it's work. The Company shall be entitled to rely upon such documents for purposes of this Agreement.

(D) Technical Assistance and Recommendations

The Company shall provide technical assistance and recommendations to the City regarding:

- (1) Evaluation, preparation and submittal of applicable permit modifications and renewals;
- (2) Any new or improved systems operations, including but not limited to, wastewater treatment processes, industrial waste discharges or significant changes in existing influent wastewater characteristics.

The Company's comments may address subjects such as compatibility, operability, toxicity, plant capacity, operation and maintenance problems, cost, wastewater quality and/or other items related to the Facilities and Systems. The City will not be obligated to accept or use such comments or recommendations, but may do so.

(E) Facility and System Additions or Modifications--Operations Continuity

Construction and/or facility and system upgrades, additions and modifications conducted by the City must allow, to the extent possible, the Company to continue producing required treated wastewater effluent. Mutual coordination must be conducted so construction may progress efficiently and economically, while allowing production of wastewater effluent that complies with regulatory requirements.

(F) Employee Programs

The Company shall:

- (1) Implement a proven, formal safety program including, but not limited to, written procedures and policies, and periodic employee meetings and training sessions.
- (2) For all Company employees and managers, implement formal periodic training programs including but not limited to sexual harassment, cultural sensitivity and diversity, and work place violence.

(G) Inventory

The City shall provide the inventory of office furnishings, equipment and computers; hand tools, portable equipment and pumps; shop equipment, safety equipment and apparatus; meters; and laboratory equipment and apparatus listed in 'Exhibit A', attached hereto, for the use of the Company, and the Company shall maintain same in good service and repair during the term of this Agreement. At the time of termination or non-renewal of this Agreement, another inventory shall be taken and approved by the City and the Company, and such inventory shall be compared to 'Exhibit A', along with items acquired by the Company for the City's account, less items costing less than twenty dollars (\$20.00) each which are considered expendable, shall be turned over to the City in such condition as when this Agreement was commenced, subject to normal wear and tear, or the Company shall pay to the City the replacement cost of any missing items. Replacement of any inventory items during the term of this Agreement shall be agreed upon by the City and the Company. The City agrees to expeditiously replace any items agreed upon at the City's cost or compensate the Company to replace such item.

(H) Environmental Violations

The Company assumes responsibility for wastewater effluent quality as described

herein, including regulatory agency notice requirements and fine liability if such fine, notice requirement, or other requirement or liability is the result of the negligence, error or omission of the Company. The Company reserves the right to contest, at its own expense, any fines in administrative and/or Court proceedings prior to payment.

(I) Community Commitment

The Company shall:

- (1) Establish and maintain a local office within the corporation limits of the City of Gallup for the duration of this Agreement, to serve as a technical and administrative support base for providing the agreed upon services
- (2) To the extent possible, utilize local vendors and banking, and hire staff from the local area
- (3) Obtain a City Business License

(J) Staffing Requirements

- (1) All facilities and systems will be staffed as necessary to carry out their functions in accordance with this Agreement. Company employees and staff shall have the necessary qualifications, certifications and licenses, including engineering and/or surveyor licensing, and general contracting license GF-9, as may be required and/or applicable, to meet Federal and State agency requirements for the Wastewater Treatment Plant, Collection System Lift Stations and Reuse Pumping Facilities.
- (2) Unless mutually agreed upon otherwise by the City and the Company, the Company shall staff the wastewater treatment plant 7 days per week, 8 hours per day with employees experienced in wastewater treatment procedures and practices, having qualifications and certifications to meet Federal and State regulatory agency requirements.
- (3) To assure timely response after Company's regularly scheduled working hours, Company shall, at its expense, arrange for response to and investigation of after-hour service calls or utility-related reports including but not limited to those circumstances described in Section 7.02(F)(2) of this Agreement.
- (4) Upon request by the City, Company shall provide an organization chart which includes each and every position and its associated staffing by employee classification.

(K) Expert Testimony

The Company agrees to furnish, at the request of the City, expert testimony on any matter relating to services provided under this Agreement at no additional cost to the City. Should it be necessary for the Company to provide expert testimony from individuals other than those assigned to the Gallup project on a full-time basis, the City will be responsible for reimbursing the Company for all reasonable labor and travel costs associated with such testimony. Labor costs will be calculated using standard Company hourly rates currently in effect.

(L) Transition Plan

The Company shall provide the City with a written transition and start-up plan and schedule as required by Section 3.0. The transition plan shall include an orientation procedure for employees; scheduling of mobilization activities and technical program implementation. The Company agrees to review the plan with the City prior to submittal.

(M) Appearance of Buildings and Structures

The Company agrees to submit for and obtain the City's approval for any modifications or major maintenance affecting the appearance of any facility or structure. The Company recognizes the concern of the City about the appearance of the grounds, buildings and structures and agrees to maintain the cleanliness and appearance of facility sites in a professional manner (see Section 7).

(N) Outside Engineering Consultants

The City may from time to time engage the services of engineering consultants to assist in implementation of capital projects. This Agreement, however, is between the City and the Company for the scope of services contained herein and creates no obligation for the City to engage the services of any of the Company's parent or sister corporations for any engineering study, design, construction management or other consulting work the City may undertake. The selection of engineering consultants is at the sole discretion of the City acting through its City Council.

(O) Other Company Obligations

The Company shall, at its sole expense and except as provided for elsewhere in this section, perform and/or complete the following:

- (1) Within 90 days of the Commencement Date, purchase, install and place

into routine use the computerized asset management software known as "Hach JOB Cal Plus." The package shall include computerized maintenance management software and all annual licensing and support.

- (2) Within 90 days of the Commencement Date, purchase, install and place into routine use the process data management software known as "Hach Water Information Management Solutions." The package shall include computerized data management software and all annual licensing and support.
- (3) Within 30 days of the Commencement Date, complete an Odor Assessment and Noise Control Plan for the Wastewater Treatment Plant. Completion shall include report preparation and submission of the report to the City.
- (4) At the Commencement Date, purchase and have available on site: one (1) pick-up truck for general transportation, two (2) desktop computers and one (1) laptop computer; two (2) printers; additional laboratory equipment and accessories; safety equipment and accessories including but not limited to: confined space entry davit, two (2) gas meters, two (2) eyewash/showers, one (1) flammable/combustible storage compartment; one (1) portable pump; hydrogen sulfide monitoring device.
- (5) As necessary and in timely fashion to improve treatment processes and reduce odors, process, handle and dispose of any and all excess sludge inventories.
- (6) Within 180 days of the Commencement Date, complete piping and process modifications to the digester and gravity thickener unit to improve operations and reduce odors.
- (7) Within 180 days of the Commencement Date, complete modifications to the chlorine injection system to eliminate use of 150-pound cylinders.
- (8) Within 90 days of the Commencement Date, review and update City's Risk Management Plan including but not limited to element for 1-ton chlorine cylinders.
- (9) Within 90 days of the Commencement Date, evaluate the condition and fitness for use of Primary Clarifier No. 3, and report findings to the City.
- (10) Within 90 days of the Commencement Date, evaluate the condition of the sludge dryer and make needed repairs. Report findings to the City.

- (11) Within 270 days of the Commencement Date, evaluate the production, marketing and reuse options for Class A biosolids to provide additional flexibility for sludge disposal.
- (12) Within 90 days of the Commencement Date, evaluate the condition of the sulfur burner and propose needed repairs. Report findings to the City.
- (13) Within one year of the Commencement Date, complete applicable Laboratory Analyst certification and implement enhanced on-site process control and compliance testing and analyses.
- (14) Within one year of the Commencement Date, complete applicable Laboratory Analyst certification and acquire necessary approvals from the New Mexico Department of Environmental to perform required routine bacteriological testing for the City's water system. During the term of this Agreement, and during any subsequent renewals of this Agreement, such bacteriological testing of the City's water system shall: (a) be completed routinely at time intervals and locations specified by the City; (b) comply with any and all requirements of the New Mexico Department of Environment, and (c) be completed at no cost to the City.
- (15) Within 180 days of the Commencement Date, develop and implement written standard operating procedures (SOPs) for process and compliance sampling, process strategies and control, and operation of specific equipment detailing operating strategies, related safety equipment and procedures, and procedures for operating under normal and unusual conditions.
- (16) At the Commencement Date, implement Company's security plan including but not limited to: measures addressing fencing, gates, locks, access and lighting; written SOPs for handling visitors and conducting plant tours; control program for security codes, pass keys, and keys to gates, locks and buildings; emergency contact information on main gate and at remote sites; establish contacts with local law enforcement; and updates to emergency response and contingency plans.
- (17) Within 180 days of the Commencement Date, evaluate the use of a temporary receiving station to receive and retain any unacceptable septage while determining options for acceptable and proper disposal. The goal of the evaluation is to meet the needs of septage haulers while avoiding harmful impacts to the Wastewater Treatment Plant. Report findings to the City.
- (18) As part of the commitment to provide comprehensive and specialized

training for on-site staff, routinely extend the opportunity for such training including but not limited to safety and maintenance procedures and techniques, along with any industry and/or vendor training, to other City departments and staff, and other agencies and jurisdictions in the area. This obligation shall be: (a) on-going; (b) in effect during the term of this Agreement and any subsequent renewals of this Agreement; and (c) completed at no cost to the City.

Section 8.0 Compensation

Section 8.01 Base Fee

(A) Initial Base Fee

In the first Contract Year, the City shall pay the Company as a Base Fee for the services performed as described in Section 7 of this Agreement, the sum of \$1,116,826 in twelve equal monthly payments of \$93,068.83 with additional compensation adjustments as specified herein and hereinafter. Monthly payments will be due and payable in accordance with Section 8.04.

(B) Consumer Price Index Adjustment to Net Base Fee

From Commencement Date of this Agreement until the contract expires, compensation shall be increased or decreased annually as hereinafter provided. Commencing on July 1, 2011 and on July 1 of each year thereafter, the Base Fee net of the Electricity Budget and the Maintenance and Repair Budget (the "Net Base Fee") for the preceding year shall be increased or decreased by an amount equal to 75 percent of the annual change reflected in the "All Items Index" of the Consumer's Price Index published by the Bureau of Labor Statistics of the United States Department of Labor for the preceding twelve month period ending March 31, provided that any such increase or decrease shall not exceed five percent (5.0%) of the prior Net Base Fee, as from time to time amended, in any one year. The Company will furnish to the City on or before May 1 of each year, the appropriate statistics justifying any change in Net Base Fee. The City will notify the Company in writing of any objections by May 1. Unless such an objection is made, the adjusted Net Base Fee will become effective the following July 1 and will be reflected in the City's payment for services for that month.

Section 8.02 Other Compensation Adjustments

(A) Flow-Based Adjustment

The City will consider an adjustment in compensation for annual flows that exceed the 36-month rolling average of metered wastewater flow by more than 5.00 percent. In such events, any adjustment shall consider only electricity, treatment process chemicals and

biosolids disposal costs. The adjustment shall be only for the Contract Year in which flows exceed the rolling average, and shall not be additive to the Base Fee for any subsequent Contract Year.

(B) Change in Scope or Type, or Additional Services

Any change in wastewater treatment requirements or respective Facility and System operations, regulatory requirements, report requirements, or personnel qualifications required by the City or by a governmental agency having jurisdiction to order such changes shall be a change in scope of services. In the event of a change in scope of services or type of service, the Company shall be entitled to an adjusted compensation in addition to the Base Fee herein provided. The adjusted compensation may be a mutually agreeable lump sum price which shall be rolled over as an additional amount to the Base Fee, or may be paid to the Company through issuance of an Additional Services Authorization (ASA) and monthly invoicing for such ASA by the Company to the City. If a lump sum price or issuance of an ASA is not mutually agreeable, actual cost monitoring for a one-year period shall be established by mutual agreement and used to assess actual costs on a labor time and material and, as applicable equipment use basis.

The adjusted compensation to be paid the Company shall be the sum of the following components, as applicable:

- For work accomplished by the Company, the cost of Company labor (which includes base wages, benefits and overheads); incidental materials that are incorporated into the work; equipment with an invoiced cost less than \$5,000 that is incorporated into the work; and "Blue Book" equipment rental rate or rental rate consistent with local rental rates for similar or like equipment. Company may include an administrative and overhead fee of up to ten percent (10%) of the sum of these costs.
- For work accomplished by Subcontractor(s), the invoiced cost for such work. Company may include an administrative and overhead fee of up to ten percent (10%) of such invoiced costs.
- For equipment exceeding an invoiced cost of \$5,000 at the invoiced cost. Company may include an administrative and overhead fee of up to ten percent (10%) of such invoiced costs.

(C) Maintenance and Repair Budget

The Company shall include as part of the Base Fee an amount set aside for maintenance and repair (the "Maintenance and Repair Budget") to ensure that sufficient funds are available for maintaining aging equipment and system wear and tear, and for the addition of equipment and systems. The amount for the first Contract Year, beginning on the

Commencement Date, shall be \$150,000. The City and the Company shall agree on an annual Maintenance and Repair Budget for each subsequent contract year which may be equal to, greater than, or less than the budget amount of the previous year. This adjustment shall be made and agreed upon apart from the annual CPI adjustment for the Net Base Fee provided for herein. If actual expenditures in any given year for maintenance related consumables, supplies, spare parts and similar expenditures, plus Major Corrective Maintenance are less than the agreed upon Maintenance and Repair Budget, the difference between actual expenditures and the budgeted amount shall be paid or reimbursed to the City. Upon termination of this Agreement, any remaining balance shall be paid in full to the City.

Except for Major Corrective Maintenance charges, expenditures from the Maintenance and Repair Budget shall exclude all labor costs. From time to time, however, the City, may require that work be scheduled so as to specifically reduce impact on the City's utility customers and/or the general public. In such limited instances, if the City-required schedule necessitates overtime by Company's regular hourly employees, overtime costs for Company's regular hourly employees may be charged to the Maintenance and Repair Budget.

Expenditures for Major Corrective Maintenance shall include labor costs if the total cost of the Major Corrective Maintenance event exceeds \$5,000. The first \$5,000 of such expenditures for Major Corrective Maintenance shall be charged against the Maintenance and Repair Budget. That portion of such expenditures in excess of \$5,000 shall be paid to the Company upon presentation of an invoice in accordance with Section 8.02 (A) of this Agreement. The Company's specialized maintenance personnel not assigned to this contract site, who provide specialized services limited to vibration, thermographic and electrical system analyses, and instrumentation maintenance and repair, may be charged to the Maintenance and Repair Budget with prior written consent of the City.

The Company also agrees to notify the City when actual maintenance and repair expenditures equal seventy-five (75) percent of the Maintenance and Repair Fund. The Company and the City agree to mutually plan expenditures for the balance of the Maintenance and Repair Budget for the year. The Company also agrees to provide the City with a quarterly reconciliation of all expenditures from the Maintenance and Repair Budget.

(D) Emergency Conditions

- (1) Requirement to Investigate and Report. The Company shall investigate every reported emergency in a timely manner, as required elsewhere in this Agreement. If the Company determines in good faith that an emergency situation exists such that action must be taken to protect the safety of the public or Company's employees, or the safety or integrity of the Facilities and Systems, or to mitigate the immediate consequences of

an emergency event, the Company shall make every reasonable effort to contact the City to authorize needed emergency expenditures prior to making said expenditures. Should City personnel not be available to authorize needed emergency expenditures, the Company shall take all such action it deems in good faith to be reasonable and appropriate under the circumstances without City authorization. The Company, however, shall provide the City a written report detailing such activities and estimated expenditures by the end of the work day following such an emergency situation.

The cost of the Company's initial response, investigation and reporting measures shall be borne by the Company except to the extent the emergency situation was caused by an Uncontrollable Circumstance, in which case the City shall bear the cost.

- (2) Emergency Action. Notwithstanding requirements of this Agreement requiring City approval or consent, if at any time the Company determines in good faith that an emergency situation exists, then the Company shall take such action it deems in good faith to be reasonable and appropriate under the circumstances. The City shall be liable for the reasonable additional cost of such emergency mitigation actions and/or repair measures provided that such emergency situation was not due to the fault or negligence of the Company. The resulting compensation shall be determined in accordance with Section 8.02(B) of this Agreement except to the extent the emergency event was caused by an Uncontrollable Circumstance, in which case the City shall bear the cost.

Section 8.03 Electricity Usage

(A) City to Provide and Company to Pay for Electric Power

Electricity necessary to operate the City's wastewater facilities and system during the term of this Agreement, subject to the provisions of this section, shall be furnished by the City and paid for by the Company under the City's applicable rate tariff.

(B) Electricity Budget

The Electricity Budget shall be a component of the Base Fee and shall be set aside for the Company's purchase of electricity from the City. The annual Electricity Budget shall be based on: (a) actual Unit Electricity Usage Rate (i.e., kWh per million gallons) for the previous year; (b) the 36-month rolling average for influent flow measured at the Wastewater Treatment Plant; (c) the annual average cost per kilowatt-hour inclusive of electricity usage charges, demand charges and all other applicable electric service charges; and (d) any changes that the City may propose in the applicable tariff for the

upcoming year. The amount for the first Contract Year, beginning on the Commencement Date, is \$265,354.

(C) Target Unit Electricity Usage Rate

- (1) For the first Contract Year beginning on the Commencement Date, Company provides the following Initial Target Unit Electricity Usage Rate to the City:

Initial Target Unit Electricity Usage Rate: 3,352 kWh / MG treated

- (2) For each subsequent Contract Year, the Target Unit Electricity Usage Rate shall be adjusted based on the actual electricity usage and actual influent flows measured at the Wastewater Treatment Plant during the preceding Contract Year. On or before March 1 of each year, the Company shall calculate the revised Target Unit Electricity Usage Rate and furnish to the City the appropriate data, statistics and calculations supporting the revised Target Unit Electricity Usage Rate.

(D) Power Savings Incentive

Beginning in the second Contract Year, the City will pay to the Company a Power Savings Incentive if the actual Electricity Usage for the Contract Year is less than the Target Electricity Usage. The Power Savings Incentive shall be equal to 50 percent of the calculated electricity cost savings attributable to a reduced Unit Electricity Usage Rate.

(E) Facilities and Systems Equipment Damages

At no time will the Company operate the City's Facilities and Systems equipment in an effort to save power usage in a manner that will cause damage to such equipment.

Section 8.04 Invoices. The Company shall submit monthly invoices for Base Fee and for Adjusted Compensation. The City shall pay the Company for Basic Compensation and Adjusted Compensation as provided herein, and within thirty (30) days after receipt of proper invoicing. Invoices left overdue and unpaid shall bear interest at one and one-half percent (1.5 %) per month or the legal rate, whichever is less. If any portion of an invoice is disputed by the City, the City agrees to pay, when due, any portion not in dispute. In the event it is determined that all or a portion of the disputed amount was properly charged, the City agrees to pay such amount with interest not to exceed one percent (1.0 %) per month accrued during the time the amount was in dispute. No interest will accrue on any disputed amount later determined to have been improperly charged.

Section 8.05 Quarterly Reporting of Costs. The Company shall provide on a quarterly basis

after each third Billing Month a report containing the quarterly costs and year-to-date costs in a form that shall allow the City to determine appropriate, fair customer rates and charges for its utility services. The form shall be developed jointly by the City and the Company but shall generally segregate costs into the following categories:

Wastewater Treatment by Unit Process
Wastewater Lift Stations by Location

Effluent Reuse Pumping Facilities

Section 9.0 Hold Harmless Agreement

Section 9.01 Contractor Agreement. The Company hereby agrees to, and shall, hold the City, its elective and appointive councils, boards, officers, agents and employees, harmless from any liability for damages and claims for personal injury, including death, as well as from claims for property damage together with all costs of defense that may arise from the negligent acts, errors and omissions of the Company, its employees, agents or subcontractors.

Section 9.02 City Agreement. The City hereby agrees to, and shall, hold the Company, its employees, agents and subcontractors, harmless from any liability for damages and claims for personal injury, including death, as well as from claims for property damage together with all costs of defense that may arise from the negligent acts, errors and omissions of the City, its employees, agents or subcontractors to the limit of the New Mexico Tort Claims Act.

Section 9.03 Joint, Concurrent or Successive Liability. In the event of a claim for damages to person or property, including death, alleging joint, concurrent or successive negligence of the parties, each party shall be solely responsible for the damages apportioned to them on the basis of percentage fault, and shall bear their own costs of defense.

Section 9.04 Survival. This section shall survive the termination of this Agreement.

Section 9.05 Indirect and Consequential Damages. Notwithstanding any provision to the contrary contained in this Agreement, in no event shall either party be directly liable to the other party for any special, punitive, indirect and/or consequential damages, including damages attributable to loss of use, loss of income or loss of profit even if such party has been advised of the possibility of such damages

Section 10.0 Insurance

Section 10.01 Workers' Compensation. The Company shall maintain, during the life of this Agreement, Workers' Compensation insurance for all its employees employed in the operation and maintenance of the City's Facilities and Systems and, if any work is subcontracted, the Company shall require its subcontractors similarly to provide Workers' Compensation insurance for all of the latter's employees. If any class of employees engaged in work under this Agreement at the City's Facilities and Systems is not protected under any Workers' Compensation law, the Company shall provide, and shall cause each subcontractor to provide,

adequate coverage for the protection of employees not otherwise protected.

Section 10.02 Liability Insurance. The Company shall furnish the City with a certificate of insurance as evidence of a comprehensive policy of commercial general and automobile liability insurance insuring the Company, City and its agents, officers and employees against claims or liability for injury to, or death of any person or persons, or damage to real or personal property, arising in or by reason of or in connection with the Company's operations herein contemplated and agreeing to defend against all claims, demands, actions or legal proceedings made or brought by any person by reason of such injury, death or damage and to pay all judgments, interest, costs, legal and other expenses arising out of or in connection therewith except that damages arising to real or personal property from main line and/or service line water breaks and sewer main line and/or sewer service line blockages shall be excluded unless due to the Company's negligence. Said policies shall be on an occurrence basis and shall include a waiver of subcontractor claims against the City. The limits of liability of such policy shall be not less than \$5,000,000 combined single limits for bodily injury and property damage. The liability insurance requirement stated herein may be satisfied by the Company endorsing its existing liability policy to name the City and its agents, officers and employees as additional insured thereunder, and will contain the standard cross liability and severability of interest clause. In such case, certificates of insurance under the Company's liability policy as endorsed shall be furnished to the City.

Section 10.03 Environmental Impairment Liability Insurance. The Company agrees to procure and maintain at its expense during the term of this Agreement environmental impairment liability insurance in an amount not less than \$10,000,000 per claim and \$10,000,000 in the aggregate. Such policy shall insure against bodily injury, property damage and/or economic loss. This policy may not exclude liability for damage to property in the care, custody and control of the Company.

Section 10.04 Umbrella Excess Liability Insurance. The Company agrees to procure and maintain at its expense during the term of this Agreement umbrella excess liability insurance in an amount not less than \$5,000,000 per claim and \$5,000,000 in the aggregate.

Section 10.05 Proof of Insurance. The Company shall furnish the City, concurrently with the execution hereof, satisfactory proof of carriage of the insurance required, and will provide to the City at least thirty (30) days prior notice of cancellation of any policy during the effective period of this Agreement.

Section 10.06 Property Insurance. The City shall purchase and maintain property damage insurance for all the City's Facilities and Systems contemplated by this Agreement. Any property not properly insured shall be the financial responsibility of the City.

Section 10.07 Performance Bond. The Company shall provide to the City and keep in force during the term of this Agreement or any renewal or extension thereof, a performance bond to guarantee the Company's faithful performance of its duties and obligations under this Agreement. The performance bond shall be in such form as has been approved by the City

Attorney and in an amount not less than the amount paid from the City to the Company for services provided during the previous Contract Year. In the first Contract Year, the performance bond amount shall be equal to the total annual amount specified in Section 8.01(A) of this Agreement.

Section 11.0 Termination

Section 11.01 City Termination Without Cause. This Agreement may be terminated without cause by the City upon the City giving to the Company ninety (90) days written notice in advance of the date upon which the termination becomes effective. The Company shall be entitled to compensation for a period not to exceed the ninety (90) day notice period as provided for in Section 8.01 of this Agreement.

Section 11.02 Emergency Termination. In the event of any emergency condition involving the Facilities and Systems which is found by the City to endanger the public health, caused by the Company, and the Company is either unable or unwilling to correct such condition, the City may terminate without notice this Agreement during the emergency condition, provided that at the conclusion of any such condition, the Agreement may be reinstated by the City subject to Section 11.01. However, the City is not obligated to reinstate the Company at the conclusion of the condition. The Company is not entitled to any compensation after the date upon which the City terminates this Agreement under this Section.

Section 11.03 Termination For Cause. In the event the performance by the Company of the services provided for under this Agreement is unsatisfactory to the City, the City shall notify the Company and the Company agrees to within thirty (30) days rectify the unsatisfactory condition or performance. Should the unsatisfactory performance not be rectified within thirty (30) days of notice being given, the City shall at its sole option be entitled to terminate this Agreement immediately upon written notice to the Company. The Company is not entitled to any compensation subsequent to receiving notice of termination from the City.

Section 11.04 Carryover Operations. If this Agreement is terminated by either the City or the Company, the Company shall furnish the services necessary to continue normal operations for a period of sixty (60) days after the termination date. This sixty (60) day period will commence only at the City's request and shall be for the purpose of training and assisting new employees of the City or its new contractor in the operation and maintenance of the City's Facilities and Systems. In such event, the City agrees to pay to the Company currently existing compensation for such sixty (60) day period.

Section 11.05 City To Recover Possession. Upon termination of this Agreement, the City shall have the right to recover immediate possession of all its Facilities and Systems and equipment, subject to the rights of the Company to recover any compensation due under the terms of this Agreement.

Section 12.0 Amendment

Section 12.01 General. This document expresses the entire Agreement between the City and the Company and supersedes any previous or contemporaneous communications, representations or agreements. This Agreement may be amended or modified only by written agreement signed by both parties and approved by the City Council, and failure on the part of either party to enforce any provision of this Agreement shall not be construed as a waiver of the right to compel enforcement of such provision or provisions.

Section 13.0 Work Stoppage

Section 13.01 General. In the event concerted activities by labor groups (e.g., picketing) result in the Company's employees not entering and working in the City's Facilities and Systems, the City and the Company shall seek appropriate administrative or court orders to return operations to normal. During such a period, the Company shall operate facilities on a best effort basis until labor relations are normalized, subject to the rights of the City pursuant to Section 11 above.

Section 14.0 Force Majeure

Section 14.01 General. The Company shall be excused from strict performance hereunder, to the extent that such performance is impeded or prevented by occurrence of force majeure as defined herein, provided that the Company shall provide the City written notice of the occurrence of any event which the Company believes excuses strict performance within ten (10) business days of the occurrence.

Section 15.0 Assignment

Section 15.01 General. The Company binds itself to the City in respect to all provisions of this Agreement. Except for the foregoing, neither the City nor the Company shall assign, subcontract or transfer their interest in this Agreement without the written consent of the other.

Section 16.0 Entire Agreement

Section 16.01 General. This instrument including all attachments and documents incorporated herein comprises the entire agreement between the parties relating to the rights herein granted and the obligations herein assumed, and supersedes any previous or contemporaneous communications, representations or agreements.

Section 17.0 Partial Invalidity

Section 17.01 General. If any term, provision, covenant, or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

Section 18.0 Attorney's Fees and Choice of Law

Section 18.01 General. If any legal action is necessary to enforce the terms of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees in addition to any other relief to which it may be entitled. The parties agree that any action taken by either party to enforce the term of this Agreement shall be governed by the laws of the State of New Mexico and shall be brought only in the state courts of the State of New Mexico, County of McKinley.

Section 19.0 Notices

Section 19.01 General. All notices shall be in writing and delivered in person or transmitted by Certified Mail, return receipt, postage prepaid. Notices delivered in this manner will be effective one (1) calendar day after being deposited in the U.S. Mail addressed as specified. Notice given by facsimile transmission is effective when received if a signed original is deposited in the U.S. Mail within two (2) business days after transmission. Written notice given by any other reasonable means is effective upon receipt.

Notices required to be given to the City shall be addressed to the designated representatives identified below:

Mr. Lance Allgood
Executive Director
Gallup Joint Utilities
230 S. Second Street
Gallup, New Mexico 87305

R. David Pederson, Esq.
City Attorney
P.O. Box 1270
City of Gallup
Gallup, New Mexico 87305

Notices required to be given to the Company shall be addressed to the designated representative identified below:

Mr. Michael Siegel, Esq.
Corporate Counsel
Severn Trent Environmental Services
16337 Park Row
Houston, Texas 77084

or such other designated representatives and addresses as may be specified by written notice by either party to the other, and acknowledged by the other.

Section 20.0 Interpretation

Section 20.01 General. As used herein any gender includes each other gender; the singular includes the plural, and vice versa. Captions are for the convenience of the reader and do not affect the substance of this Agreement.

Section 20.02 Drafting. The parties agree that this document shall be deemed to have been drafted equally by the parties and that no rule of contract construction based solely on the drafting of the document by either party shall apply.

Section 21.0 Performance Review

Section 21.01 General. The City shall have the right to conduct a performance audit and evaluation of the Company, at such times as the City deems necessary. The Company agrees to fully cooperate with any such audit. The City may employ consultants, at the City's expense, to assist the City in the audit. The Company agrees to give the City access to facilities at all reasonable times.

Section 22.0 Right of Ownership

Section 22.01 Facilities and Systems. All Facilities and Systems, equipment within the City's facilities, and appurtenances shall remain the property of the City, and such property cannot be disposed of by the Company without the express written consent of the City. The physical facilities, offices and all related equipment and appurtenances thereto provided to the Company for the term of this Agreement shall be returned upon completion of the Agreement in the same condition as they were provided to the Company, except for normal wear.

Section 22.02 Capital Equipment. Any equipment provided by the Company, at its sole expense for the sole benefit and use of the Company's employees and not made an integral part of the City's Facilities and Systems, shall remain the property of the Company subject to applicable provisions of this Agreement; however, the City shall have the option to purchase the equipment at its depreciated value at the termination of the Agreement.

Section 23.0 Inspection

Section 23.01 General. The City's designated representative or agents reserve the right to enter on any of the facilities covered by this Agreement at any time, with or without notice, to observe, inspect or audit any of the Company's operations, activities, or operating records. The City agrees to comply with operating and safety procedures when entered on any of the facilities covered by this Agreement.

The City shall also have the right to require split samples of wastewater streams for testing at the City's expense.

Section 24.0 Compliance with Law, Regulations and Permits

Section 24.01 General. The Company agrees to abide by all applicable Federal, State, County and City laws and ordinances, as well as all regulations and notice requirements relating to wastewater effluent quality, Industrial Pretreatment Program requirements, environmental regulation compliance, and hazardous substances including but not limited to: the Water

Pollution Control Act, as amended (the "Clean Water Act"), the Resource Conservation Recovery Act, as amended ("RCRA"), the Comprehensive Environmental Response, Compensation and Liability Act, as amended ("CERCLA"), and the Occupational Safety and Health Act ("OSHA").

The Company warrants it is familiar with and shall comply with Federal, State and local laws, statutes, ordinances, rules and regulations and the orders and decrees of any courts or administrative bodies or tribunals in any manner affecting the performance of this Agreement including without limitation Workers' Compensation Laws, the Prevailing Wage Act, minimum salary and wage statutes and regulations, laws with respect to permits and licenses and fees in connection therewith, laws regarding maximum working hours. No plea of misunderstanding or ignorance thereof will be considered.

Section 24.02 Fines. The Company assumes complete responsibility for payment of any fines, and any other liability if such fines, notice requirements or other requirement or liability is the result of the negligent acts, operations not in conformance with applicable law, error or omission of the Company. As such, the Company indemnifies and holds the City harmless from any claims, damages, loss or liability resulting from wastewater discharge, to the fullest extent permissible by law. The Company reserves the right to contest, at its own expense, any fines in administrative and/or Court proceedings prior to payment.

Section 24.03 Company's Warranty of Compliance. By execution of this Agreement, the Company understands, represents and warrants to the City that the Company and its subcontractors (for which the Company takes responsibility to insure that they comply with the above-mentioned Acts) are in compliance with all requirements provided by the Acts set forth in Section 24 and that they will remain in compliance for the entirety of the work. A violation of any of the Acts set forth in this Section is cause for the immediate cancellation of this Agreement. However, any forbearance or delay by the City in canceling this Agreement shall not be considered as, and does not constitute, the City's consent to such violation and a waiver of any rights the City may have, including without limitation, cancellation of this Agreement.

The Company agrees to indemnify and save harmless the City and its agents, officers and employees, both elected and appointed, from and against any claim or liability arising from or based on the violation of any such laws, ordinances, regulations, orders or other decrees, whether by the Company, its employees or its subcontractors, or which may arise out of or resulting from operations under this Agreement. This clause shall apply not only during the term of this Agreement, or any extension thereof, but also as to any claim, liability, or damages which are based on the Company's conduct during the term of this Agreement, or any extension thereof, and in the event the City is charged with the responsibility, jointly or severally, for the aforementioned conduct as a successor to the Company.

The Company, by executing this Agreement, also represents that no person who is or who shares in legal or factual control of the affairs and policies of the business entity as a whole is under indictment or has been convicted within the five (5) years immediately prior to the date of this

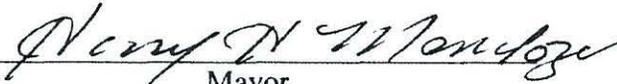
Agreement in a state or federal court for an offense involving moral turpitude arising out of the person's relationship with a governmental agency. If this representation is subsequently determined to be false, this Agreement shall be subject to immediate termination.

Section 25 Company Liability

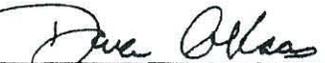
Section 25.0 Company Liability: In the event that claim(s) raised against the Company on account of this Agreement, or on account of the services performed hereunder, is/are covered under Company insurance policies required of the Company hereunder, Company shall not be responsible for any loss, damage or liability beyond the policy amounts contractually required hereunder and the limits and conditions of such insurance policies. With respect to any causes of action and/or claims raised against the Company that are not covered by the insurance policies required of Company hereunder arising under this Agreement, excluding indemnity claims against the Company pursuant to Article 9 of this Agreement, Company's aggregate liability shall not exceed an amount equal to Company's annual compensation under the Agreement.

IN WITNESS WHEREOF, two (2) identical counterparts of this Agreement, consisting of 39 pages, each of which counterparts shall, for all purposes, be deemed an original of this Agreement, have been duly executed by the parties herein above named on the day and year first herein above written.

The City of Gallup, New Mexico

By: 
Mayor

Severn Trent Environmental Services

By: 

Schedule 1 Guarantees

This Guarantee made as of the 26 day of May, 2010, by Severn Trent Services (Del), Inc., (the "Guarantor"), having its principal place of business in Wilmington, Delaware, to and for the benefit of the City of Gallup, New Mexico (the "City").

WITNESSTH:

WHEREAS, Severn Trent Environmental Services, Inc, a Texas corporation (the "Company") having an office at 16377 Park Row, Houston, Texas, has entered into an Operations and Maintenance Agreement (the "Agreement") with the City as of May 27, 2010.

WHEREAS, Guarantor is willing to guarantee, as set forth below, the performance of the Company under the Agreement; and

WHEREAS, the City would not enter into the Agreement unless the Guarantor provided this Guarantee;

NOW, THEREFORE, as an inducement to the City to enter into this Agreement, Guarantor agrees as follows:

1. Guarantor hereby absolutely and unconditionally guarantees the full and prompt performance by the Company of all of the Company's obligations under the Agreement in accordance with the terms and conditions therein, subject to all of the rights of the Company therein, and all defenses of Company arising under the Agreement.
2. This Guarantee shall be governed by the laws of the State of New Mexico exclusive of the choice of law rules thereof. Guarantor hereby agrees that any claim or controversy arising out of this Guarantee or relating to any breach hereof, and any claim or controversy arising out of the Agreement or relating to any breach thereof, shall constitute sufficient local contacts under New Mexico statutes and the federal and New Mexico constitutions for any court of competent jurisdiction in the State of New Mexico to exercise personal and subject matter jurisdiction over the Guarantor, and the Guarantor agrees to submit to the exclusive jurisdiction of any court of competent jurisdiction in the State of New Mexico in connection therewith.
3. Subject to all rights of the Company under the Agreement and all defenses available to the Company thereunder, this Guarantee shall be binding upon and enforceable against the Guarantor, its successors, or assigns and legal representatives (including any successor by merger or consolidation or any transferee of all or substantially all of the assets of the Guarantor) whether or not such obligations are expressly assumed by such successor, assignee or

transferee, it being the intent and purpose of this Guarantee that it is for the benefit of the City, and any permitted successors and assigns of the City under the Agreement. Notwithstanding any provision contained herein to the contrary, the Guarantor shall be entitled to exercise or assert any and all legal or equitable rights or defenses which the Company may have under the Agreement or under applicable law (other than bankruptcy or insolvency of the Company and other than any defense which the Company has expressly waived in the Agreement or the Guarantor has expressly waived herein), and the obligations of the Guarantor hereunder are subject to such counterclaims, set-offs or defenses which the Company is permitted to assert pursuant to the Agreement, if any.

4. The obligations of the Guarantor to the City are subject to the requirement that the City first enforce any remedies that it may have against the Company and reasonably exhaust such remedies, including any security held from the Company, before proceeding against the Guarantor.

5. Each and every Event of Default under the Agreement shall give rise to a separate cause of action hereunder, and separate suits may be brought hereunder by the City as each cause of action arises. Guarantor waives presentation to, demand of performance from, and protest to the City of the obligations due to the City under the Agreement.

6. No failure or delay by the City in exercising any right, power or privilege hereunder or under the Agreement shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other right, power or privilege. No waiver, amendment, release or modification of this Guarantee shall be established by conduct, custom or course of dealing, but solely by a instrument in writing, duly executed by the Party against whom any such waiver, amendment, release or modification is sought to be enforced.

7. Guarantor shall not assign its obligations hereunder, except to a successor by merger or consolidation or to a transferee of all or substantially all of the assets of the Guarantor. Notice of any such assignment shall be given in writing to the City within thirty (30) days after the effective date of any such merger, consolidation or transfer.

8. This Guarantee may be executed simultaneously in several counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument. The invalidity or unenforceability of one or more provisions of this Guarantee shall not affect the validity or enforceability of the remaining portions of this Guarantee. This Guarantee is entered into by Guarantor solely and exclusively for the benefit of the City and its successors and assigns under the Agreement, and may be enforced against Guarantor by the City and its successors and assigns.

9. Guarantor acknowledges that it is a parent corporation of Company and that Company may find it reasonable and necessary to request or agree to modifications of the obligations and benefits of the Agreement. No such amendment or modification shall release Guarantor

from any obligation pursuant to the Guarantee, nor shall Guarantor be required to consent to or ratify any such amendment or modification. Guarantor further acknowledges that City may rely upon the representations of Company in all respects and that any waiver of strict performance by City of the obligations of Company, without notice to Guarantor, shall not result in a release of the obligations of Guarantor as set forth in this Guarantee.

Guarantor at: Severn Trent Services (DEL), Inc.
Attention: Mr. Peter Winnington

If by Mail: Mr. Peter Winnington
1011 Centre Road, Suite 322
Wilmington, Delaware 19805

If by Hand: Mr. Peter Winnington
1011 Centre Road, Suite 322
Wilmington, Delaware 19805

10. Any term used not otherwise defined herein and defined in the Agreement, shall have the meaning attributed to it in the Agreement.

11. Notices given pursuant to this Guarantee, unless otherwise stated, shall be in writing and shall be served personally or sent by certified mail, return receipt requested, to:

City at: Executive Director
Gallup Joint Utilities

- and -

City Attorney

If By Mail Executive Director
Gallup Joint Utilities
P.O. Box 1270
Gallup, New Mexico 80305-1270

If By Hand Executive Director
Gallup Joint Utilities

230 S. Second Street
Gallup, New Mexico 80305

or to such other address as shall be designated by such party in a written notice to the other party hereto. Any notice given pursuant to this Section if transmitted by certified mail shall be effective immediately upon receipt and if delivered by hand upon delivery.

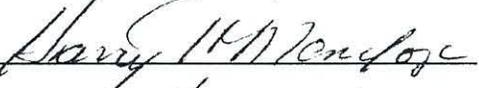
IN WITNESS WHEREOF, Guarantor has executed this instrument the day and year first above written.

SEVERN TRENT SERVICES (DEL), INC.

By: 
Printed Name: DAVID L. CHESTER
Title: President & CFO, STS(DEL), Inc.

Accepted and Agreed to by:

THE CITY OF GALLUP, NEW MEXICO

By: 
Printed Name: HARRY M. MENDOZA
Title: Mayor -

Schedule 2 Facilities and Systems

1. Wastewater Treatment Plant

Wastewater Treatment Plant including all encompassing treatment unit processes, equipment, systems, buildings, structural appurtenances and grounds within and along the property boundaries and the perimeter fencing located at 800 Sweetwater Place, Gallup, New Mexico.

The City's Wastewater Collection Division occupies a 2-bay garage at the Wastewater Treatment Plant. Exterior building maintenance and groundskeeping for this building is the responsibility of the Company, however.

2. Wastewater Collection System Lift Stations

The wastewater collection system Lift Stations including all encompassing equipment, systems and structural appurtenances within and along the property boundaries and/or the perimeter fencing of each lift station site. Lift Stations and sites shall include the following as located on the attached map:

- (a) Red Rock
- (b) Indian Hills
- (c) I-40
- (d) Tomada
- (e) Mentmore

3. Laboratory Facilities

Laboratory Facilities including all encompassing equipment, systems, apparatus and associated appurtenances within the confines of the Administration and Laboratory Building located at the Wastewater Treatment Plant.

4. Effluent Reuse Pumping Facilities

The Effluent Reuse Pumping Facilities including the Re-Use Water Wet Well, Carbon Coal/and Soccer Field Pump(s) and the Golf Course/Sports Complex Pump(s) and all encompassing valves, equipment, systems and structural appurtenances. The Company shall not have responsibility for related transmission lines located beyond the property boundaries and/or perimeter fencing of the Wastewater Treatment Plant site.

[Insert map showing Lift Station locations]

Schedule 3
City Planned Capital Improvements

(to be added)

Schedule 4 Power Savings Incentive

Beginning in the second Contract Year, the City will pay to the Company a Power Savings Incentive if the actual Electricity Usage for the Contract Year is less than the Target Electricity Usage. The Power Savings Incentive shall be equal to 50 percent of the calculated electricity cost savings attributable to a reduced Unit Electricity Usage Rate.

Target Electricity Usage

For each Contract Year, the Target Unit Electricity Usage Rate shall be based on the actual electricity usage and actual influent flows measured at the Wastewater Treatment Plant during the preceding Contract Year. At the end of each Contract Year, the Actual Electric Usage will be compared with the Target Electricity Usage. To do this the annual flow for the Contract Year will be multiplied by the Target Unit Electricity Usage Rate to determine the Target Electricity Usage for the year. The equation below illustrates this calculation:

$$\begin{array}{l} \text{Target Unit Electricity Usage} \\ \text{Rate (kWh/MG) x Actual} \\ \text{annual wastewater influent} \\ \text{flow (MG)} \end{array} = \begin{array}{l} \text{Target Total Electricity} \\ \text{Usage (kWh)} \end{array}$$

The calculated Target Total Electricity Usage will be compared to the Actual Electricity Usage during the year. Should the Actual Electricity Usage be less than the Target Total Electricity Usage, the Actual Average Cost of Electricity for that year (i.e., the actual total cost paid by the Company divided by the actual total kWh used) will be multiplied by the kWh used in excess of the Target Total Electricity Usage.

Power Savings Incentive--Example Calculation:

Assumptions:

Target Unit Electricity Usage Rate for Contract Year: 1,510 kWh/MG
Annual Influent Wastewater Flow for Contract Year: 1,050 MG
Actual Average Cost of Electricity for Contract Year: \$0.058/ kWh
Actual Total Electricity Usage for Contract Year: 1,405,660 kWh

Calculation:

Target Total Electricity Usage: 1,510 kWh/MG x 1,050 MG = 1,585,500 kWh
Actual Total Electricity Usage = 1,405,660 kWh
Saved Electricity Usage: 1,585,500 kWh - 1,405,660 kWh = 179,840 kWh
Total Savings: 179,840 kWh x \$0.058 / kWh = \$10,430.72

Power Savings Incentive Paid to Company: $\$10,430.72 \times 50 \text{ percent} = \$5,215.36$

Revised Target Unit Electricity Usage Rate for Next Contract Year:

Actual Electricity Usage = 1,405,660 kWh

Annual wastewater treated: 1,050 MG

Revised Target Unit Electricity Usage Rate:

$$1,405,660 \text{ kWh} / 1,050 \text{ MG} = 1,339 \text{ kWh/MG}$$

Schedule 5
Equipment, Materials, Supplies
and Chemical Inventory

(to be added)

Schedule 6
Capital Repair or Replacement
Cost Allocation Examples

EXAMPLES OF MAINTENANCE PROJECTS
AND CAPITAL PROJECTS DURING CONTRACT TERM

1. Control Module Replacement. Failure of control unit.

Total Cost \$6,500

Company is responsible for \$ 5,000

City is responsible for \$ 1,500

End of the useful life of the equipment reached. City is responsible for the amount over \$5,000. Labor included in Company's Base Fee. ●7.03 (A)(4)

2. Emergency Power Engine Overhaul. Labor primarily provided by outside sources, but some Company in-house labor involved.

In-house Labor \$ 2,000
All other costs \$ 8,200
Total Cost \$10,200

Company is responsible for \$ 7,000

City is responsible for \$ 3,200

Overhaul extends the useful life of the equipment. Capital outlay for the cost beyond labor provided in-house. Labor included in Company's Base Fee. Company responsible for the first \$5,000 of outside costs (parts, labor, materials). City is responsible for the amount over \$5,000 for outside costs. ●7.03 (A)(4)

3. Repair Belt Filter Press rollers and bearings. Labor provided by Company in-house.

Labor \$1,000
Materials \$6,500
Total Cost \$7,500

Company is responsible for \$ 6,000

City is responsible for \$ 1,500

Roller repair and bearing replacement are considered routine maintenance. Repair of existing equipment. Life is not extended, only maintained. Labor included in Company's Base Fee. ●7.03 (A)(4)

4. Overhaul 2 In-Plant Service Water Pumps. Labor provided by Company in-house.

Labor	\$1,000
Materials	<u>5,000</u>
Total Cost	<u>\$6,000</u>

Company is responsible for \$ 6,000

City is responsible for \$ 0

Overhaul would extend the useful life of the equipment. However, costs are below threshold. Labor provided in-house. Labor included in Company's Base Fee. Threshold would be calculated for each piece of equipment not the pair of pumps. ●7.03 (A)(3)

5. New batteries for Emergency Lighting System. Labor traditionally provided by outside sources.

Labor	\$ 500
Materials	<u>5,000</u>
Total Cost	<u>\$5,500</u>

Company is responsible for \$ 5,500

City is responsible for \$ 0

Replacement of consumable items. Not a capital outlay. This is a routine maintenance expense that does not extend the life of the system or equipment, but only allows it to keep functioning for its intended purpose. Labor included in Company's Base Fee. ●7.03 (A)(3)

6. Replacement of chemical storage tank. Some in-house labor by Company with remainder outside sources.

In-house Labor	\$ 15,000
All other costs	<u>235,000</u>
Total Cost	<u>\$250,000</u>

Company is responsible for \$ 0

City is responsible for \$ 250,000

This is a listed capital project. City is responsible for entire cost of system replacement/upgrade and \$5,000 threshold does not apply since this is a listed project included in the City's capital budget. Company would be reimbursed for any labor expenses incurred. The Company would be expected to provide coordination of the process, access for outside forces, and incidentals such as utility connections, energy, and other minor accommodations.

7. After a period of twenty years, the center-pivot sludge sweep in one of the primary clarifiers requires replacement. Removal and installation will be out outsourced.

Total Cost \$24,000

Company is responsible for \$ 5,000 City is responsible for \$ 19,000

This would be considered major maintenance and/or replacement requiring a capital outlay.

●7.03 (A)(4)

8. A lift station 10 HP centrifugal pump needs rebuilding due to normal wear and tear. In-house Company labor will be utilized for removal and installation. Repair labor is included in a subcontractor's price.

In-house Company Labor \$ 600
Materials & Supplies 6,500

Company is responsible for \$5,600 City is responsible for \$1,500

Repair of an equipment unit or component. Labor included in Company's Base Fee.

●7.03 (A)(4)

19. A sluice gate needs guide rail replacement. All Company labor in-house.

Labor \$ 750
Materials & Supplies 1,200

Company is responsible for \$1,950 City is responsible for \$0

Repair of an equipment unit or component. Labor included in Company's Base Fee.

●7.03 (A)(3)

20. The flooring at the Wastewater Treatment Plant building requires painting and/or replacement. All labor is Company in-house.

Labor 1,600
Materials & Supplies 5,000

Company is responsible for \$6,600 City is responsible for \$0

Routine maintenance. Labor included in Company's Base Fee. ●7.03 (A)(3)

21. A lift station has two installed centrifugal pumps. Due to increased flows, a third pump is required. The installation of the third pump will be performed by a subcontractor and labor is included in his price.

In-house Company Labor \$ 0
Materials & Supplies 11,000

Company is responsible for \$0 City is responsible for \$11,000

The project adds capacity to the lift station and is not required to maintain the current capacity.

22. A sludge pump at the wastewater plant requires replacement due to normal wear and tear. Improvements in pumping systems have developed since the original design of the present system. The newer pumping systems are significantly more efficient than the present system. The present system is no longer manufactured. Removal and installation of this pumping system will be performed by a subcontractor.

In-house Company Labor \$ 0
Materials, Supplies, Subcontractor 15,000

Company is responsible for \$0 City is responsible for \$15,000

This is an upgrade in the system, not replacement.

23. During a scheduled 5-year maintenance inspection of the secondary clarifiers at the wastewater plant, it was observed that the upper bearing race assembly and other miscellaneous drive components required replacement. All labor Company in-house.

Labor \$2,000
Materials & Supplies 5,000

Company is responsible for \$7,000 City is responsible for \$0

This is routine maintenance and all in-house Company labor is included in the Company's Base Fee. 7.03 (A)(3)

24. To accelerate the acquisition schedule, the City uses the Company to procure and install a new lift station pump. Under an ASA (see 8.02 (B)), the Company provides labor to install the pump, and hires an electrical subcontractor to run electrical conduit and wiring.

In-house Company Labor	\$ 1,200	
Incidental Materials & Supplies	<u>\$ 500</u>	
Subtotal Company costs	\$ 1,700	
Mark-up (@ 11.0%)	\$ 187	
Pump (invoiced cost including delivery)	\$187,000	(greater than \$5,000 limit)
Electrical subcontractor (invoiced)	<u>\$ 2,300</u>	
Subtotal	\$189,300	
Mark-up (@ 7.0%)	\$ 13,251	

City is responsible for \$204,438 as an ASA

**Schedule 7
Disclosures**

(to be added)

Schedule 8
City's Equal Employment Opportunity Program

Schedule 9
Manual of Uniform Traffic Control Devices
(Federal Highway Administration
as may be modified by the City)

Schedule 10

**New Mexico Standard Specifications for Public Works Construction
(New Mexico Chapter of American Public Works Association
as may be modified by the City)**