

## AGREEMENT FOR WASTEWATER BILLING SERVICES

THE STATE OF TEXAS                   §

COUNTY OF GUADALUPE               §

The City of Seguin, Texas, a home rule city and political subdivision of the State of Texas (the “City”) and Crystal Clear Special Utility District, a special utility district created by the legislature pursuant to TEX. S.B. 116, 83<sup>rd</sup> leg., R.S. (2013), as partly codified in TEX. SPEC. DIST. LOC. LAWS CODE Chapter 7206, enacted under the authority granted to the Texas Legislature in TEX. CONST. art. XCI, Section 59, and operating pursuant to the TEX. WATER CODE Chapters 49 and 65 (the “District”), enter into this Agreement for Wastewater Billing Services (the “Agreement”).

**WHEREAS**, the District provides retail water utility service in portions of Guadalupe, Comal and Hays counties within its District boundaries and pursuant to Public Utility Commission of Texas Water Certificate of Convenience and Necessity No. 10297; and

**WHEREAS**, the City own, operates, and is certified to provide customers retail wastewater service through its sanitary sewer collection system within portions of the District’s certificated water service area, which retail customers are authorized to be served with retail water service solely by the District; and

**WHEREAS**, it is recognized that the provision of wastewater collection and treatment by the City in areas where the District is the sole certificated and authorized retail water service provider is integrally related to the District’s provision of water service to the same customers such that joint billing and collection practices are in the public interest; and

**WHEREAS**, the City desires to enter into an agreement with the District to facilitate the billing and collection of charges due from the City’s retail wastewater customers for the current and future wastewater service provided to those customers for whom either the City is solely authorized to provide retail wastewater service or the District has specifically not objected to the City’s provision of retail wastewater service to designated areas in writing; and

**NOW, THEREFORE**, the District and the City agree as follows:

**1. Agency of the District.** Subject to the terms of this Agreement, the District agrees beginning on the effective date of this Agreement to serve as the agent for the City for the purpose of billing and collecting wastewater service fees from water service customers of the District. Periodically the City reviews wastewater rates and will provide the district with any changes to those relevant rates.

**2. Payment Based on Wastewater Rate for Wastewater Collection.** The District agrees to add the wastewater service fees due to the City in the amounts indicated by the City to its monthly bills to District customers, which shall not include any fees that are delinquent upon the effective date of this Agreement or any new customer deposits. Each fee for City service will be stated separately on such bills. The City agrees to coordinate with the District so that the payment for the services billed by the District on behalf of the City shall be due at the same time and under the same terms as the payment billed by the District for water utility services. Upon receipt of payment due the City for sanitary sewer services, the District will deposit such sums in an account in the District's depository bank, comingled with payments made for District water utility services. The funds, less unpaid fees charge by the District for City services as set forth in this Agreement, shall be forward to the City no less frequently than once a month. The funds shall be sent by wire to the City in the amounts due as reflected on the monthly bills to the customers, less unpaid fees as set forth in this Agreement. At the time such funds are forwarded to the City, the District will also forward an accounting of the customers from whom payment is received, the period and type of services for which payment is made, the fees retained by the District from payments made pursuant to this Agreement, and a listing of all new customers added in that calendar month.

**3. Priority.** When payment for water and sewer collection by any customer is made, the District shall apply the funds paid first to any indebtedness of the customer to the District and then to the payment of any indebtedness to the City.

**4. Delinquency/Disconnection.** The District agrees to use its best efforts, in the exercise of the discretion granted under this Agreement, to collect amounts due to the City from the City's customers for wastewater service. If at any time any customer fails to pay any amounts collectible by the District pursuant to the terms of this Agreement, the District is authorized to terminate water utility services to the customer as deemed appropriate by the District in accordance with the procedures specified in any applicable policy and service regulations of the District then in effect. Any and all late fees and charges for delinquent sewer service amounts due and owing shall be applied at the District's then-authorized late payments fees and charges. All such late fees and charges collected by the District shall be retained by the District. The District's failure to disconnect any service shall not be an event of default under this Agreement but shall entitle the City to discontinue payment of the monthly fee for that account as specified in Paragraph 7 of this Agreement from the date service could have been disconnected under this Agreement until disconnection occurs. The District shall notify the City of all customer accounts that have been disconnected. The District shall never be obligated to bring any legal action, use any outside debt collection service or take any other action other than termination of water service in the ordinary course of business as a means of collecting moneys owed by City sewer service customers for sewer services rendered by the City. This limitation shall in no way otherwise limit or restrain the City's rights of recovery; it merely limits the District's obligations under this Agreement.

**5. Reconnection.** In the event water service is disconnected for nonpayment of City charges, except as otherwise required by law or as agreed to by City, the District agrees to not provide water services to that customer until the District's receipt of payment of all delinquent wastewater collection charges, plus any applicable charges which are then collectable in accordance with District policies then in effect. The District shall retain all reconnection fees collected from City sewer customers.

**6. Effect on Provision of Water.** this Agreement shall not affect or in any way impair the District's rights and obligations with respect to its customers or the provision of water utility services except as specifically and expressly set forth in this Agreement and as authorized by law. Unless otherwise order by the Texas Commission on Environmental Quality, the Public Utility Commission of Texas, or other authorized regulatory agency, the City agrees that it will not provide or seek to provide retail water utility service within the District's state-certificated service area during the term of this Agreement without prior written consent and permission of the District.

**7. Fees.** For initiating the wastewater service accounts to be collected by the District, the City agrees to pay the District the sum of \$150.00 as an initial set up fee. The setup fee is to be paid by the City to the District within thirty (30) days after execution date of this agreement. In the event the City requests any changes to the accounts that requires any modification within the software billing system, an additional fee will be required. This would include, but not limited to any rate changes/modification. The cost for such changes would result in a \$100 fee per occurrence/request.

In addition, the City agrees to allow the District to collect the monthly service fee by deducting from the monthly collected revenues at the time of payment by the District to the City each month. This monthly service charge will be \$0.57 per active account. The monthly fee will be paid through the end of the month, in which the customer account has been closed out with the District. This monthly service charge reflects the District's actual vendor cost as of the effective date of this agreement and the City agrees that upon written notice by the District, the City agrees to pay the District's actual cost as it may change from time to time.

If the City subsequently requests the District to reinstate an account that has been removed from the sewer service customer list, a reinstatement fee of \$5.00 per account will be paid to the District by the City. The \$5.00 reinstatement fee shall be deducted from the monthly collected revenues at the time of payment by the District to the City each month and will be so designated in the accompanying accounting.

**8. Purpose of Agreement/Indemnity.** This Agreement is made for the purpose of facilitating the billing and collection of fees for wastewater service provided by the City. No partnership or joint venture is intended to be created hereby. The District's sole responsibility is that of the City's agent for billing and collection purposes and the District shall have no responsibility for, the City shall indemnify, defend and hold harmless the District from any damages, claims, demands, or causes of action arising from the City's provision of sewer collection service.

**9. Duration and Right to Terminate.** This Agreement shall be in effect for a period of five years from the date of execution by the parties, provided, however, this Agreement may be terminated by either party at any time by giving the other party ninety days advance written notice of its intent to terminate the Agreement. All monies due will be rendered prior to the ninetieth day.

**10. Termination upon Default.** Any party may terminate this Agreement following a default by the other party in the performance of this Agreement and the failure to correct said default within thirty (30) days after the provision of written notice of default by the non-defaulting party.

**11. Attorney's Fees.** The prevailing party in any legal proceeding against any other party to this Agreement brought under or relating to this Agreement or a breach thereof shall, in addition to its damages, be entitled to recover its costs and reasonable attorney's fees.

**12. Notice.** Any notice or communication required or permitted to be given hereunder shall be sufficiently given when received by any other party and must by: (a) delivered by hand delivery or mailed by certified mail and such notice shall be deemed to have been given as of the date so delivered or mailed.

**13. Miscellaneous.** This Agreement contains all of the understandings and agreements between the parties with respect to the subject matter hereof, and the terms and conditions of the Agreement may be changed only by written amendments agreed to by both parties. This Agreement replaces and supersedes all prior agreements of the parties with respect to the subject matter hereof. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their successors and assigns; provided that, except as otherwise provided in this Agreement, no party may assign its interest in this Agreement without prior written consent of the other parties. A waiver by any party of a breach of this Agreement shall not be construed as a waiver of any subsequent breach of this Agreement. The section and subsection headings in this Agreement are for convenience only. This Agreement shall be governed by and construed with the laws of the State of Texas. Venue over any dispute regarding this Agreement shall lie in the courts of Guadalupe County, Texas.

**14. Mediation.** Prior to the commencement of any litigation over any alleged breach of this Agreement, the parties covenant and agree to seek mediation of all disputes through the assistance of a neutral third party mutually agreed upon by the parties.

**15. Effective Date.** This Agreement shall become effective on \_\_\_\_\_, following execution and shall apply to all wastewater service billings by the District for the City and all other matters within the scope of this Agreement from that date forward.

EXECUTED on the \_\_\_\_ day of \_\_\_\_\_.

CRYSTAL CLEAR SPECIAL  
UTILITY DISTRICT

THE CITY OF SEGUIN, TEXAS

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

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

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

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

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

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

Attest: \_\_\_\_\_  
Secretary

Attest: \_\_\_\_\_  
City Secretary