

## PROFESSIONAL SERVICES AGREEMENT

This AGREEMENT is entered into by Webb County Utilities, located in Laredo, Texas, here-in-after called "WCU" and AssureCo Risk Management and Regulatory Compliance LLC (d/b/a/MunicipalH2O.com); here-in-after called "MHC". In consideration of the terms and conditions herein, the parties agree as follows:

**1. SERVICES TO BE PROVIDED BY MHC.** In accordance with the terms of this AGREEMENT, WCU agrees to contract with MHC to perform professional services ("Services") related to WCU compliance with EPA Risk Management Program requirements for the following facilities:

Rio Bravo Drinking Water Plant	515 Martha Drive	Rio Bravo	TX
Rio Bravo Wastewater Treatment Plant	1806 Margarita	Rio Bravo	TX

Services will be performed using online services available at [www.MunicipalH2O.com](http://www.MunicipalH2O.com) as specified in the attached Exhibit A. MHC shall provide services to WCU as an independent contractor, not as an employee of WCU. All services required hereunder will be performed by MHC or under its supervision.

**2. MHC COMPLIANCE GUARANTEE.** MHC agrees to pay any and all fines imposed by the Environmental Protection Agency (EPA), or in OSHA-delegated states the responsible state agency, levied on WCU because of WCU's failure to comply with EPA's Risk Management Program rule ("RMP") or the state's equivalent of RMP, provided that the fine is for a failure to comply during the term of MHC's Services, following MHC's completion of the Services specified as part of the Compliance Set-up Services in Exhibit A, and provided that WCU has fully complied with WCU's Compliance Guarantee Requirements specified in Exhibit B. WCU agrees to promptly notify MHC in the event that a fine, otherwise covered by this guaranty, is proposed or levied and further agrees to provide MHC with a copy of the written citation and allow MHC to communicate with EPA or the state agency, in conjunction with WCU, to attempt to negotiate a reduction in the amount of said fine or otherwise mitigate the amount thereof, should MHC, in its sole discretion, choose to do so. Notwithstanding the above provisions, this guaranty shall exclude any fine levied for a violation resulting from any error or omission of WCU: (a) to maintain equipment, and properly document such maintenance, covered by RMP requirements (e.g. such as hoists and chlorine detectors) according to procedures specified by

the manufacturer in the owner's manual, and (b) to provide in a timely manner operator procedures training for new operators and refresher training for existing operators and properly document such training as required by RMP. MHC agrees that it is responsible for including such RMP requirements in the written Prevention Program provided to WCU by MHC. This guaranty shall also exclude any fine levied more than one (1) year after the termination of this Agreement for any reason by either party.

**3. COMPENSATION.** WCU agrees to pay MHC a one-time Setup Fee of **\$4,500**. Additionally, WCU agrees to pay MHC a monthly fee of **\$500** for an initial three-year term for a total three year cost of **\$22,500** (Setup Fee plus 36 months of monthly fees) for the professional services specified in Exhibit A during the term of this AGREEMENT. Payment for services to be made as follows:

	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
One-Time Set Fee	\$4,500	\$ 0	\$ 0
Monthly Service Fee	\$ 500	\$ 500	\$ 500
<b>Total Payment</b>	<b>\$10,500</b>	<b>\$ 6,000</b>	<b>\$ 6,000</b>

Payments are due within thirty (30) days of WCU's receipt of invoice. If services beyond the professional services described in Exhibit A are required by WCU, the time and cost required to perform such services shall be agreed upon by WCU and MHC prior to the initiation of such work. The parties agree that the professional services specified in Exhibit A, with the exception of MHC's presence during an EPA or state inspection, normally can be performed by telephone and through the online services of MunicipalH2O.com. If any of the professional services require a site visit, including during an EPA or state inspection, and if WCU approves the site visit in advance, WCU agrees to reimburse MHC for travel expenses to include mileage expense calculated using current IRS rates (or airfare and rental car if less expensive) and lodging and meals if required to complete the work.

**4. COOPERATION.** WCU agrees to provide such cooperation and support as reasonably necessary to allow MHC to timely and efficiently complete the required services.

**5. TERM AND TERMINATION.** The AGREEMENT is effective on the date of signature by WCU and MHC, for a Term of twelve (12) calendar months, during which time the AGREEMENT may only be terminated in the event of a material breach of the Agreement, which the defaulting party fails to cure within ten (10) business days of written notice. Following the initial three

year term, the AGREEMENT will automatically renew each year at the Monthly Service Fee quoted for an additional one-year term on the anniversary of the effective date unless written notice is provided to the other party by the party wishing to terminate at least thirty (30) days prior to the renewal date.

**6. CONFIDENTIALITY.** The parties to this AGREEMENT agree that neither they nor their employees, agents and assigns shall disclose any information pertaining to the business affairs, finances, methods of operation, computer programs or any personal information of the other, whether written, oral, or otherwise, except where required by law or upon express consent of the other party.

**7. NOTICES.** Any notices required pursuant to this AGREEMENT shall be mailed to the parties at the following addresses:

AssureCo Risk Management and Regulatory Compliance LLC (MHC):

ARMARC/MunicipalH2O  
Attention: MHC Business Operations  
650 South Shackelford Rd, Suite 325  
Little Rock, AR 72211

Webb County Utilities (WCU):

Webb County Utilities  
Attention: Systems Manager  
513 Martha Drive  
Rio Bravo, TX 78046

**8. MISCELLANEOUS.** Nothing under this AGREEMENT shall be construed to give any rights or benefits in this AGREEMENT to anyone other than WCU and MHC, and all duties and responsibilities undertaken pursuant to this AGREEMENT will be for the sole and exclusive benefit of WCU and MHC and not for the benefit of any other party. If any provision of this AGREEMENT is found or deemed by a court of competent jurisdiction to be invalid or unenforceable, it shall be considered severable from the remainder of this AGREEMENT and shall not cause the remainder to be invalid or unenforceable. In such event, the parties shall reform this AGREEMENT to replace such stricken provision with a valid and enforceable provision with comes as close as legally possible to expressing the intention of the stricken provision. This AGREEMENT is governed by the laws of the State of Arkansas and any legal action brought shall be brought in Pulaski County, Arkansas.

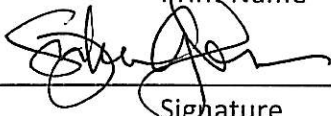
This AGREEMENT, together with Exhibit A and Exhibit B attached hereto, constitutes the entire AGREEMENT between WCU and MHC and supersedes all prior written or oral understandings. This AGREEMENT is executed in two counterparts.

IN TESTIMONY HEREOF, the duly authorized representatives of the parties have executed this AGREEMENT as shown below:

**Webb County Utilities (WCU):**

_____	_____
Print Name	Date
_____	
Signature	
_____	
Title	

**AssureCo Risk Management and Regulatory Compliance LLC (MHC)**

Stephen Glenn	10-8-2015
_____	_____
Print Name	Date
	
_____	
Signature	
VP Business Operations	
_____	
Title	

**EXHIBIT A**  
**Scope of Services**

In accordance with the terms of the AGREEMENT, MHC will provide the following professional services:

**Compliance Set-up Services for Each Facility:**

1. Conduct an EPA Compliance Audit
2. Based on information provided by WCU, create and/or update RMP written documentation, including:
  - Compliance Audit Report
  - Hazard Assessment using EPA's RMP\*Comp software and the latest available US Census software available from the MARPLOT mapping program.
  - RMP Prevention Program with all elements as required by EPA
  - Hazard Review or Process Hazard Analysis
3. Complete EPA registration forms and electronic filing using EPA's RMP\*eSubmit as may be required.
4. Set up MunicipalH2O web-based account allowing WCU to receive the RMP Compliance Alert Service.
5. Provide training to WCU on the use of online RMP tools and resources available through the MunicipalH2O web-based service.

**Ongoing Compliance Maintenance Services for Each Facility:**

1. Maintain and update as needed the WCU MunicipalH2O.com web site to reflect any changes that occur in the facility or operations of WCU by maintaining regular contact with WCU to inquire about facility or process changes that may have affected RMP compliance requirements;
2. Assist in the conduct and documentation of the recurring requirements of the RMP standards, as needed, to include:
  - Written Prevention Program updates
  - Compliance Audits and reports
  - Hazard Review/Analysis updates and reports
  - Operating Procedures updates and training materials
  - Written Hazard Assessment updates
  - EPA Registration updates and submittals
3. Conduct, in cooperation with WCU, an annual RMP Compliance Review of the facility and process covered by this Agreement to ensure ongoing compliance and update documentation as needed. Annual Compliance Review shall be conducted by telephone or web-conference using the online automation tools of MunicipalH2O;
4. Provide onsite support upon request in conjunction with an EPA or state inspection related to RMP, provided that at least five (5) business days prior written notice (email, fax, postal mail or courier) is provided to MHC; and
5. Provide the Compliance Guarantee to pay any fines resulting from MunicipalH2O's errors or omissions as specified in this Agreement.

**EXHIBIT B**  
**Compliance Guarantee Requirements**

In accordance with the terms of Section 2 of the AGREEMENT, WCU understands and agrees that the MHC Compliance Guarantee is invalidated and becomes immediately null and void if WCU does not consistently and promptly perform the following requirements ("Compliance Guarantee Requirements"):

1. In response to MHC's email and/or telephone request, provide MHC with timely and accurate information regarding all changes in WCU facility treatment processes, personnel, equipment used, operating procedures, equipment maintenance procedures, quantities of chemicals used, and other matters relevant to EPA or State Risk Management Program Requirements. It shall be WCU's responsibility to return MHC's telephone call based on MHC leaving one voicemail message at WCU's telephone number of record and sending one email to WCU's email address of record;
2. Promptly implement and adequately document the performance of the recurring requirements specified in the written Prevention Program provided by MHC to WCU, including proper equipment maintenance in accordance with manufacturer's specifications and proper training of new facility operators and service suppliers ("Recurring Requirements");
3. Promptly implement and adequately document the performance of all actions specified as needed for EPA and State Risk Management Program compliance in MHC Compliance Alerts made available on WCU's MHC website home page accessible at [www.MunicipalH2O.com](http://www.MunicipalH2O.com) and/or provided to WCU in a written communication from MHC delivered by U.S. Postal service mail, overnight courier, email or Facsimile ("Required Actions");
4. Promptly reply to any MHC telephone call when a voicemail is left by MHC at WCU telephone number of record indicating the call is regarding WCU "RMP Compliance Update" and promptly reply to any email from MHC entitled "RMP Compliance Update" sent to WCU email address of record.; and
5. Ensure that MHC is always provided with current information regarding WCU designated compliance contact person, an alternate contact person in the event that the primary contact person is not available, and the telephone number(s), email address(es) and Facsimile number(s) appropriate for compliance-related communications.
6. Promptly notify MHC of receipt of any communication from EPA, OSHA or a state agency regarding WCU's non-compliance with RMP requirements covered under this Agreement; and grant MHC permission to communicate directly with EPA, OSHA or state agency making such allegation of non-compliance in an effort to avoid a citation or mitigate the amount of fine related to the alleged non-compliance.