

**RENEWAL AND EXTENSION OF AGREEMENT FOR SALE
AND
PURCHASE OF WASTEWATER EFFLUENT**

This RENEWAL AND EXTENSION OF AGREEMENT FOR SALE AND PURCHASE OF WASTEWATER EFFLUENT ("Agreement") is made and entered into, by and between the City of Laredo, Texas ("City"), a municipal corporation situated in Webb County, Texas, and Webb County ("County"), a political subdivision of the State of Texas. The Parties hereby covenant and agree as follows:

RECITALS

WHEREAS, The County entered into a contract with the City for the use of their wastewater effluent to irrigate their 295-acre facility; and

WHEREAS, the contract between the County and the City expires on June 4, 2022; and

WHEREAS, both the City and the County recognize the need for the reuse of wastewater effluent as desirable to minimize the pressure on the development of the water supply; and

WHEREAS, the City Council for City has determined that it is in the best interest of the City and its residents to enter into this Agreement;

NOW THEREFORE, for and in consideration of the premises and the mutual covenants contained herein, the parties hereto covenant, agree and bind themselves as follows, to-wit:

This Agreement renews and extends all prior existing agreements and to the extent that it changes provisions will replace all those provisions that are changed for the County's purchase of wastewater effluent from the City.

I. Wastewater Effluent

Section 1.1. Water to be made available. During the initial term (Section 5.1) and option term (Section 6.1) as set out and defined in this Agreement, the city hereby agrees that it shall make available to the County a minimum of two hundred thousand (200,000) gallons of wastewater effluent per day from the North Laredo Waste Water Treatment Plant (NLWWTP); and if available, up to a maximum of five hundred thousand (500,000) gallons of wastewater effluent per day. Delivery in excess of the minimum proposed effluent volume may require an upgrade of the existing effluent transfer equipment (pumps, pipes, etc.). The cost of any upgrade necessary due to the County's demand for effluent in excess of two hundred thousand (200,000) gallons per day shall be paid for by both parties hereto on an equal basis for all such pumps, pipes and transfer equipment. It is understood and agreed that this Agreement includes and contemplates delivery of wastewater effluent as managed by the existing equipment from the NLWWTP. This paragraph is subject to sections 6.2 and 7.4 of this Agreement.

Section 1.2. Point of Delivery. The term "point of delivery" as used herein shall mean that point where the City owned facilities for delivery of wastewater effluent to the Casa Blanca Golf Course connect to the County owned facilities with a metering device. Title, ownership and responsibility for the wastewater effluent shall pass from the City to the County at the point of delivery.

Section 1.3. Equipment. Upon completion of the upgrades contemplated in Section 1.1 above, City shall be responsible for the maintenance, at its sole expense, of all equipment, including water treatment equipment, pumping equipment, meters and pipelines used for delivery of waste water effluent to the Casa Blanca Golf Course to the point of delivery. Maintenance of all equipment beyond the point of delivery shall be the County's responsibility at their sole expense.

II. Rate

Section 2.1. Rate. During the initial term of this Extension Agreement (Section 5.1), the County agrees that the County shall pay the City the rate of twelve (\$0.12) cents per 1,000 gallons of wastewater effluent delivered to Casa Blanca Golf Course starting August 1, 2022 until August 1, 2027. Notwithstanding the foregoing, it is hereby agreed by the parties that any water

rate increase passed by City Council which increases the general public's irrigation water rate shall increase the County's effluent purchase rate by the same amount. It is also agreed by the parties hereto that in addition to rate increases imposed by council on the general public, the effluent purchase rate shall also increase yearly by two percent (2%) as per City of Laredo Ordinance number 2018-0-026. In the event of a financial hardship caused on the City by unexpected plant operations cost increases caused by regulatory requirements, the City reserves the right to amend this contract to increase the effluent purchase rate in an amount sufficient to pay for the increased operations costs.

The County Shall be billed and shall pay City for a minimum of two hundred thousand (200,000) gallons of effluent per day. Any amounts of effluent used by the County in excess of two hundred thousand (200,000) gallons of effluent per day shall be billed according to the meter readings of the existing Casa Blanca Golf Course meter maintained by the City.

III. Effluent Quality Standards

Section 3.1. Standards for Wastewater Effluent. All wastewater effluent delivered to the Casa Blanca Golf Course hereunder shall meet the following standards:

The Standards specified by the Texas Commission of Environmental Quality (TCEQ) in Permit Number WQOO 10681-004 as that permit may be amended from time to time.

Section 3.2. Testing. Testing to determine compliance with the standards set out in Section 3.1 A-D above shall be performed by the City at City's sole expense and the results of such test shall periodically be made available to the County at such times as may be mutually agreed to by the parties.

Section 3.3. Metering. The City shall, at its sole expense, provide and maintain sufficient metering equipment, to meter all wastewater effluent taken by the County in accordance with this Agreement.

- (A) Monitoring Equipment Maintenance. In accordance with State requirements or permits, the City shall calibrate and perform maintenance on all monitoring and analytical instrumentation to insure accuracy of measurements.
- (B) Data Recording Requirements. For each measurement or sample taken pursuant to the requirements of this Agreement, the City shall comply with the regulations and requirements of the Texas Commission on Environmental Quality as required by TCEQ Permit Number WQOO 10681-004 as it may be amended from time to time.

IV. Potable Water

Section 4.1. The City agrees to make potable water available for sale to the County, at the City's commercial irrigation rates as specified in City of Laredo Ordinance Number 2018-0-026 under the following circumstances:

- (A) When effluent water supplies are limited because of maintenance work or equipment breakdowns at the NLWWTP; or
- (B) For periodic flushing of the greens on the Casa Blanca Golf Course.

The Irrigation rate for potable water shall be the commercial irrigation rate as periodically set by Ordinance and as increased annually by authorized yearly percentage increases.

V. Term

Section 5.1. Initial Term. The initial term of this Agreement shall begin on the date when this agreement is finalized by both parties and shall terminate on August 1, 2027 subject to one five-year option to extend the Agreement, subject to receiving City Council approval for the extension. A new effluent rate shall be negotiated for any extensions hereto.

VI. Renewal Option and Termination

Section 6.1. Option Term. The County has the option to extend this Extension Agreement for a period of an additional five (5) years after the expiration of the initial term of this Agreement. The County will provide the City with notice of its desire to renew and extend this

Agreement during the final twelve (12) month period of the initial term. The City reserves the right to approve or deny all proposed contract extensions beyond the initial terms.

Section 6.2. Termination. The City and the County agree that this Agreement can be terminated during its initial term or option term based on the following reasons:

- (A) The City and the County mutually consents in writing to terminate the Agreement; or
- (B) In the event that the City's legal ability to deliver wastewater effluent is materially impaired or is eliminated because of the termination or adverse modification of state or federal permits, mandates, decrees, or legally required authorizations which are needed or relied upon by the City to deliver the wastewater effluent to the Casa Blanca Golf Course.

VII. Miscellaneous

Section 7.1. Performance. This agreement is entered into and performable in Webb County, Texas. The Parties hereby stipulate to venue in the State Courts of Webb County, Texas.

Section 7.2. Notices. All notices and other documents required or authorized to be given or delivered under the terms of this Agreement, shall be delivered in person or by U.S. mail, certified, returned receipt requested, to each of the person s below:

If to City: City of Laredo
 Attn: Rosario C. Cabello
 City Manager Office
 1110 Houston Street
 Laredo, TX 78040

With a copy to: City of Laredo
 Attn: Jose A. Valdez, Jr.
 City Secretary Office
 1110 Houston Street
 Laredo, TX 78040

Arturo Garcia, Jr., P.E.
Utilities Director
5816 Daugherty Ave.
Laredo, TX 78041

Webb County: Webb County Judge
1000 Houston Street, Third Floor
Laredo, Texas 78040

Any such notice shall be deemed to be delivered upon deposit of the notice, enclosed in postpaid, property addressed wrapper or envelope, in a post office or official depository under the care and custody of the United States Postal Service.

Section 7.3. Prior Contracts or Agreements. To the extent that any terms or provisions of this Agreement conflict with or contradict any terms provisions of any prior water agreements between the parties hereto or their predecessors interest which relate to the purchase or provision of effluent, including the Resulting Agreement, the City and the County each agree that the terms and provisions of this Agreement shall control.

Section 7.4. Force Majeure. In the event either party hereto is rendered unable, either wholly or in part, by force majeure to carry out its obligations under this Agreement, the obligations of both parties hereto, so far as they are affected by the force majeure, shall be suspended during the continuance of such force majeure, and such force majeure shall be, so far as possible, remedied with all reasonable dispatch.

The term "force majeure" employed herein shall mean acts of God, strikes, lockouts, other industrial disturbances, shut downs for necessary maintenance, acts of public enemy, wars blockades, instructions, riots, epidemics, landslides, lightning, earthquakes, fires, floods, hurricanes, storms washouts, droughts, arrests, and restraint of government and people, civil disturbances, explosions, brakeage, accidents or failure of facilities of either party and any other causes, whether of the kind herein enumerated or otherwise, not reasonably within the control of the party claiming suspension.

Section 7.5. Severability. In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect in a final non-appealable order rendered by a court of competent jurisdiction, that invalidity, illegality, or unenforceability shall not affect any other provision in this Agreement and this Agreement shall be construed as if the invalid, illegal, or unenforceable provision had never been contained in it.

Section 7.6. Applicability of Local Government Code Section 271. It is agreed that if a dispute, claim, lawsuit or litigation should arise in the future between the City or the County or both, it will be governed by the Local Government Code Section 271.

Section 7.7. Attorney Fees. In the adjudication of a claim, brought or filed under the provisions of this Agreement, by or against the City, the prevailing party in the adjudication shall be entitled to recover its reasonable and necessary attorney's fees pursuant to and in accordance with the provisions of the Texas Local Government Code.

EXECUTED this _____ day of _____, 2022.

THE CITY OF LAREDO

WEBB COUNTY

Rosario C. Cabello
Interim City Manager

Tano E. Tijerina
Webb County Judge

ATTEST:

APPROVED AS TO FORM:

Jose A. Valdez, Jr.
City Secretary

Doanh "Zone" T. Nguyen
City Attorney
By: _____

ATTEST:

APPROVED AS TO FORM:

Margie Ramirez Ibarra
Webb County Clerk

Nathan R. Bratton
General Counsel
Civil Legal Division