

PROFESSIONAL SERVICES AGREEMENT

This **PROFESSIONAL SERVICES AGREEMENT** (the “Agreement”) is made and entered by and between **NEW BRAUNFELS UTILITIES**, a Texas municipally owned utility (“NBU”), and **SIGNATURE AUTOMATION, LLC**, a Texas limited liability company (the “Professional”). For good and valuable consideration, the receipt and sufficiency of which is acknowledged, the parties agree as follows:

Section 1. Term of Agreement. This Agreement shall become effective the date on which the last party to this Agreement executes this Agreement and this Agreement shall not be binding until executed by all parties (the “Effective Date”). Once this Agreement is executed by both parties, this Agreement shall remain in effect until the completion date specified in Exhibit A, unless terminated as provided for in this Agreement. Subject to Section 271.904 of the Texas Local Government Code, as amended, Exhibit A shall provide, in either calendar days or by providing a final date, a time of completion prior to which the Professional shall have completed all tasks related to the Services (hereinafter defined).

Section 2. Scope of Services.

(A) The Professional shall perform the services described in Exhibit A (the “Services”) within the timeframe specified therein. The time limits for the Services stated in Exhibit A are of the essence of the Agreement. By executing this Agreement, the Professional confirms that the timeframe in Exhibit A is a reasonable period for performing the Services. The scope of work described in the Services constitutes the “Project.”

(B) The quality of Services provided hereunder shall be of the level of professional quality performed by professionals regularly rendering this type of service.

(C) The Professional shall perform the Services in compliance with all statutory, regulatory, and contractual requirements now or hereafter in effect as may be applicable to the rights and obligations set forth in the Agreement.

(D) The Professional may rely upon the accuracy of reports and surveys provided to it by NBU except when defects should have been apparent to a reasonably competent professional or when it has actual notice of any defects in the reports and surveys.

Section 3. Compensation.

(A) Amount. The Professional shall be paid the amount set forth in Exhibit B as described herein.

(B) Billing Period. NBU shall pay the Professional within thirty (30) days after receipt and approval of invoices and based upon work satisfactorily performed and completed to date. NBU shall pay the Professional for any goods purchased in accordance with the terms stated herein. All

invoices shall document and itemize all work completed to date. Each invoice statement shall include a record of time expended and work performed in sufficient detail to justify payment. In the event any uncontested portions of any invoice are not paid within thirty (30) days of receipt and approval of the Professional's invoice, the Professional shall have the right to suspend work.

(C) Reimbursable Expenses. Any and all reimbursable expenses related to the Project, including goods purchased in connection with performing the Services under this Agreement, shall be described in the Services defined in Exhibit A and accounted for in the total compensation amount in Exhibit B. If these items are not specifically accounted for in both Exhibit A and Exhibit B, NBU shall not be required to pay such amounts unless otherwise agreed to in writing by both parties or unless agreed to pursuant to Section 4 of this Agreement.

Section 4. Changes to the Project Work; Additional Work.

(A) Changes to Work. The Professional shall make such revisions to any work that has been completed as are necessary to correct any errors or omissions as may appear in such work. If NBU finds it necessary to make changes to previously satisfactorily completed work or parts thereof, the Professional shall make such revisions if requested and as directed by NBU and such services shall be considered as additional work and paid for as specified under the following paragraph.

(B) Additional Work. NBU retains the right to make changes to the Services at any time by a written contract amendment. Work that is clearly not within the general description of the Services under this Agreement must be approved in writing by NBU by contract amendment before the additional work is undertaken by the Professional. If the Professional is of the opinion that any work is beyond that contemplated in this Agreement and the Services described in Exhibit A and therefore constitutes additional work, the Professional shall promptly notify NBU of that opinion in writing. If NBU agrees that such work does constitute additional work, then NBU and the Professional shall execute a contract amendment for the additional work and NBU shall compensate the Professional for the additional work on the same basis of the rates for the Services contained in Exhibit B. If the changes deduct from the extent of the scope of work for the Services, the contract sum shall be adjusted accordingly. All such changes shall be executed under the conditions of the original Agreement. Any work undertaken by the Professional not previously approved as additional work shall be at risk of the Professional.

Section 5. Ownership of Documents. Upon completion or termination of this Agreement, all documents prepared by the Professional or furnished to the Professional by NBU shall be delivered to and become the property of NBU. All drawings, charts, calculations, plans, specifications and other data, including electronic files and raw data, prepared under or pursuant to this Agreement shall be made available, upon request, to NBU without restriction or limitation on the further use of such materials; however, such materials are not intended or represented to be suitable for reuse by NBU or others. Any reuse of the materials related to the Services without prior verification or adaptation by the Professional for the specific purpose intended will be at NBU's sole risk and without liability to the Professional. Where applicable, the Professional shall retain all pre-existing proprietary rights in the materials provided to NBU but shall grant to NBU a non-exclusive, perpetual, royalty-free license to use such proprietary information solely for the purposes for which

the information was provided. The Professional may, at the Professional's expense, have copies made of the documents or any other data furnished to NBU under or pursuant to this Agreement.

Section 6. Personnel. The Professional shall provide adequate, experienced personnel, capable of and devoted to the successful completion of the Services to be performed under this Agreement. The Professional agrees that, upon commencement of the Services to be performed under this Agreement, key personnel will not be removed or replaced without prior written notice to NBU. If key personnel are not available to perform the Services for a continuous period exceeding thirty (30) calendar days, or are expected to devote substantially less effort to the Services than initially anticipated, the Professional shall immediately notify NBU of same and shall replace such personnel with personnel possessing substantially equal ability and qualifications.

Section 7. Licenses; Materials. The Professional shall maintain in current status all federal, state, and local licenses and permits required for the Professional to perform the Services and operate its business. NBU has no obligation to provide the Professional, its employees or subcontractors any business registrations or licenses required to perform the Services described in this Agreement. NBU has no obligation to provide tools, equipment, or materials to the Professional.

Section 8. Warranties.

(A) Professional's Seal; Standard of Care. To the extent the Professional has a professional seal, the Professional shall place such seal on all final documents and data furnished by the Professional to NBU. Preliminary documents released from a license holder's control shall identify the purpose of the document, the engineer(s) of record and the engineer license number(s), and the release date on the title sheet of bound engineering reports, specifications, details, calculations or estimates, and each sheet of plans or drawings regardless of size or binding. As required by Section 271.904 of the Texas Local Government Code, as amended, all work and services provided under this Agreement will be performed with the professional skill and care ordinarily provided by competent engineers or architects, as applicable, practicing under the same or similar locality under the same or similar circumstances and professional license. The Professional shall perform its services as expeditiously as is prudent considering the ordinary professional skill of a competent engineer or architect, as applicable. The plans, specifications, and data provided by the Professional shall be adequate and sufficient to enable those performing the actual work to perform the work as and within the time contemplated by NBU and the Professional. NBU acknowledges that the Professional does not have control over the methods or means of work or the costs of labor, materials, or equipment. Unless otherwise agreed in writing, any estimates of costs by the Professional are for informational purposes only and are not guarantees.

(B) Warranties for Goods. All manufacturer warranties and guarantees of goods provided pursuant to this Agreement shall inure to the benefit of NBU. The Professional shall warrant all work free of defects in materials and workmanship for a period of two (2) years from the date of final acceptance of all work. The Professional shall, within 30 calendar days after receipt of written notice, repair defects in materials and workmanship that may develop during said two (2) year

period, and any damage to other work caused by such defects or the repairing of same, at the Professional's expense, in a manner acceptable to NBU. The Professional shall provide NBU the full original equipment manufacturer ("OEM") warranties and guaranties provided by the OEM for all goods under this Agreement free of all liens, claims, and encumbrances. For example, if an OEM offers full replacement of a warranted product at no charge to the Professional, then the Professional shall replace such item and shall not charge NBU for such replacement.

Section 9. Indemnification.

(A) GENERAL. TO THE EXTENT PERMITTED BY LAW, INCLUDING SECTION 271.904 OF THE TEXAS LOCAL GOVERNMENT CODE, THE PROFESSIONAL SHALL INDEMNIFY AND HOLD HARMLESS NBU AND EACH BOARD MEMBER, OFFICER, EMPLOYEE, AGENT, AND REPRESENTATIVE THEREOF (NBU AND ANY SUCH PERSON BEING HEREIN CALLED AN "INDEMNIFIED PARTY") FOR, FROM AND AGAINST ANY AND ALL LOSSES, CLAIMS, DAMAGES, LIABILITIES, COSTS AND EXPENSES (INCLUDING, BUT NOT LIMITED TO, REASONABLE ATTORNEYS' FEES AND COURT COSTS) INCURRED BY ANY INDEMNIFIED PARTY WHICH ARE:

- i. DUE TO THE VIOLATION OF ANY ORDINANCE, REGULATION, STATUTE, OR OTHER LEGAL REQUIREMENT IN THE PERFORMANCE OF THIS AGREEMENT, BY THE PROFESSIONAL, ITS AGENT, EMPLOYEE, ANY CONSULTANT UNDER CONTRACT, OR ANY OTHER ENTITY OVER WHICH THE PROFESSIONAL EXERCISES CONTROL;**
- ii. CAUSED BY OR RESULTING FROM ANY NEGLIGENT OR INTENTIONAL ACT OR OMISSION IN VIOLATION OF PROFESSIONAL'S STANDARD OF CARE, BY THE PROFESSIONAL, ITS AGENT, ANY CONSULTANT UNDER CONTRACT, OR ANY OTHER ENTITY OVER WHICH THE PROFESSIONAL EXERCISES CONTROL;**
- iii. CAUSED BY OR RESULTING FROM ANY CLAIM ASSERTING INFRINGEMENT OR ALLEGED INFRINGEMENT OF A PATENT, TRADEMARK, COPYRIGHT OR OTHER INTELLECTUAL PROPERTY RIGHT IN CONNECTION WITH THE INFORMATION FURNISHED BY OR THROUGH THE PROFESSIONAL, ITS AGENT, ANY CONSULTANT UNDER CONTRACT, OR ANY OTHER ENTITY OVER WHICH THE PROFESSIONAL EXERCISES CONTROL;**
- iv. DUE TO THE FAILURE OF THE PROFESSIONAL, ITS AGENT, ANY CONSULTANT UNDER CONTRACT, OR ANY OTHER ENTITY OVER WHICH THE PROFESSIONAL EXERCISES CONTROL TO PAY THEIR CONSULTANTS OR SUBCONSULTANTS AMOUNTS DUE FOR SERVICES PROVIDED IN CONNECTION WITH THE PROJECT; OR**
- v. OTHERWISE ARISING OUT OF OR RESULTING FROM THE PERFORMANCE OF THE SERVICES UNDER THIS AGREEMENT, INCLUDING SUCH CLAIMS, DAMAGES, LOSSES OR EXPENSES ATTRIBUTABLE TO BODILY INJURY, SICKNESS, DISEASE OR DEATH, OR TO INJURY TO OR DESTRUCTION OF TANGIBLE PROPERTY, INCLUDING LOSS OF**

USE RESULTING THEREFROM, BUT ONLY TO THE EXTENT SUCH CLAIMS, DAMAGES, LOSSES, COSTS AND EXPENSES ARE CAUSED BY OR RESULT FROM ANY NEGLIGENT OR INTENTIONAL ACTS OR OMISSIONS OF THE PROFESSIONAL, ITS AGENT, ANY CONSULTANT UNDER CONTRACT, OR ANY OTHER ENTITY OVER WHICH THE PROFESSIONAL EXERCISES CONTROL.

(B) REIMBURSEMENT OF NBU'S FEES IN DEFENSE OF CLAIMS. TO THE EXTENT NBU INCURS ATTORNEY'S FEES IN DEFENSE OF ANY CLAIM ASSERTED AGAINST NBU THAT ARISES OR RESULTS FROM THE ALLEGED ACTS OR OMISSIONS OF THE PROFESSIONAL DESCRIBED IN THIS SECTION, THE PROFESSIONAL SHALL REIMBURSE NBU ITS REASONABLE ATTORNEY'S FEES IN PROPORTION TO THE PROFESSIONAL'S LIABILITY FOUND AFTER A FINAL ADJUDICATION OF LIABILITY.

The obligations of the Professional under this Section shall survive the termination of this Agreement.

Section 10. Insurance.

(A) General.

- i. Insurer Qualifications. Without limiting any obligations or liabilities of the Professional, the Professional shall purchase and maintain, at its own expense, hereinafter stipulated minimum insurance with insurance companies authorized to do business in the State of Texas with an A.M. Best, Inc. rating of A- VII or above with policies and forms satisfactory to NBU. Failure to maintain insurance as specified herein may result in termination of this Agreement at NBU's option.
- ii. No Representation of Coverage Adequacy. By requiring insurance, NBU does not represent that coverage and limits will be adequate to protect the Professional. NBU reserves the right to review any and all of the insurance policies and/or endorsements cited in this Agreement, but has no obligation to do so. Failure to demand such evidence of full compliance with the insurance requirements set forth in this Agreement or failure to identify any insurance deficiency will not relieve the Professional from, nor be construed or deemed a waiver of, its obligation to maintain the required insurance at all times during the performance of this Agreement.
- iii. Additional Insured. All insurance coverage and self-insured retention or deductible portions, except Workers' Compensation insurance and Professional Liability insurance, if applicable, shall name, to the fullest extent permitted by law for claims arising out of the performance of this Agreement, NBU, its agents, representatives, officers, directors, officials and employees as an Additional Insured (CG 2010 1001 and CG 2037 1001 or an equivalent on the general liability policy) as specified under the respective coverage sections of this Agreement.

- iv. Coverage Term. All insurance required herein shall be maintained in full force and effect until all the Services required to be performed under the terms of this Agreement are satisfactorily performed, completed and formally accepted by NBU, unless specified otherwise in this Agreement.
- v. Primary Insurance. The Professional's insurance shall be primary insurance with respect to performance of this Agreement and in the protection of NBU as an Additional Insured.
- vi. Claims Made. In the event any insurance policies required by this Agreement are written on a "claims made" basis, coverage will extend, either by keeping coverage in force or purchasing an extended reporting option, for three years after the conclusion of the term of this Agreement. Such continuing coverage will be evidenced by submission of annual certificates of insurance stating applicable coverage is in force and containing provisions as required herein for the three-year period.
- vii. Waiver. All policies (except for Professional Liability, if applicable), including Workers' Compensation insurance, will contain a waiver of rights of recovery (subrogation) against NBU, its agents, representatives, officials, officers and employees for any claims arising out of the Services performed by the Professional. The Professional shall arrange to have such subrogation waivers incorporated into each policy via formal written endorsement thereto.
- viii. Policy Deductibles and/or Self-Insured Retentions. The policies set forth in these requirements may provide coverage that contains deductibles or self-insured retention amounts. Such deductibles or self-insured retention shall not be applicable with respect to the policy limits provided to NBU. The Professional shall be solely responsible for any such deductible or self-insured retention amount.
- ix. Use of Subcontractors. The Professional shall not use subcontractors for all or any work under this Agreement without the prior written consent of NBU in its sole discretion. If any work under this Agreement is subcontracted in any way, the Professional shall execute written agreements with its subcontractors containing the indemnification provisions set forth in this Agreement and insurance requirements set forth herein protecting NBU and the Professional. The Professional shall be responsible for executing any agreements with its subcontractors and obtaining certificates of insurance verifying the insurance requirements.
- x. Evidence of Insurance. Prior to the Effective Date of this Agreement, the Professional shall provide suitable evidence of insurance to NBU, which confirms that all required insurance policies are in full force and effect. Evidence of insurance shall be in a form acceptable to NBU. Evidence of such insurance shall be attached as Exhibit C. Confidential information such as the policy premium may be redacted from the documents evidencing each insurance policy, provided that such redactions do not alter any of the information required by this Agreement.

NBU will rely upon the requested information, including, but not limited to, certificates of insurance, endorsements, schedule of forms and endorsements, or other policy language as evidence of coverage but such acceptance and reliance will not waive or alter in any way the insurance requirements or obligations of this Agreement. If any of the policies required by this Agreement expire during the life of this Agreement, it will be the Professional's responsibility to forward renewal certificates and evidence of insurance to NBU five (5) days prior to the expiration date.

(B) Required Insurance Coverage. Any of the coverage set forth below may be waived by NBU in its sole discretion, but any such waiver must be signed by an authorized representative of NBU on or before the Effective Date of this Agreement.

- i. Commercial General Liability. The Professional shall maintain "occurrence" form Commercial General Liability insurance with an unimpaired limit of not less than \$1,000,000 for each occurrence and a \$2,000,000 General Aggregate Limit. The policy shall cover liability arising from premises, operations, independent contractors, products, completed operations, personal injury, and property damage. The definition of insured contract cannot have any modifications as outlined in the ISO policy form CG 0001 0413. Third party action over coverage must not be specifically excluded. To the fullest extent allowed by law, for claims arising out of the performance of this Agreement, NBU, its agents, representatives, officers, officials and employees shall be cited as an Additional Insured. If any Excess insurance is utilized to fulfill the requirements of this subsection, such Excess insurance shall be "follow form" equal or broader in coverage scope than underlying insurance.
- ii. Auto Liability. The Professional shall maintain Automobile Liability insurance with a limit of \$1,000,000 combined single limit on the Professional's owned or hired and non-owned vehicles, as applicable, assigned to or used in the performance of the Services by the Professional under this Agreement. To the fullest extent allowed by law, for claims arising out of the performance of this Agreement, NBU, its agents, representatives, officers, directors, officials and employees shall be cited as an Additional Insured. If any Excess insurance is utilized to fulfill the requirements of this subsection, such Excess insurance shall be "follow form" equal or broader in coverage scope than underlying insurance.
- iii. Professional Liability. The Professional shall maintain Professional Liability insurance covering negligent errors and omissions arising out of the Services performed by the Professional, or anyone employed by the Professional, or anyone for whose negligent acts, mistakes, errors and omissions the Professional is legally liable, with an unimpaired liability insurance limit of \$1,000,000 each claim and \$2,000,000 annual aggregate. In the event the Professional Liability insurance policy is written on a "claims made" basis, coverage shall extend for three years after the conclusion of the term of this Agreement, and the Professional shall be required to submit certificates of insurance and other requested information

evidencing proper coverage is in effect as required above. Confidential information such as the policy premium or proprietary information may be redacted from the insurance information requested, provided that such redactions do not alter any of the information required by this Agreement.

- iv. Workers' Compensation and Employer's Liability Insurance. The Professional shall maintain Workers' Compensation insurance to cover the Professional's employees engaged in the performance of the Services under this Agreement and shall also maintain Employers Liability Insurance of not less than \$1,000,000 for each accident, \$1,000,000 disease for each employee and \$1,000,000 disease policy limit.

(C) Cancellation and Expiration Notice. Insurance required herein shall not expire, be canceled, or be materially changed without thirty (30) days' prior written notice to NBU.

Section 11. Termination.

(A) For NBU's Convenience. This Agreement is for the convenience of NBU and, as such, may be terminated by NBU for any reason upon thirty (30) days' written notice by NBU to the Professional. Upon termination for convenience, the Professional will be paid for the Services performed to the termination date less any offsets to which NBU may be entitled under the terms of this Agreement. By written notice to NBU, the Professional may suspend work if the Professional reasonably determines that working conditions at the site (outside the Professional's control) are unsafe, or in violation of applicable laws, or in the event NBU has not made timely payment in accordance with this Agreement, or for other circumstances not caused by the Professional that are materially interfering with the normal progress of the work. The Professional's suspension of work hereunder shall be without prejudice to any other remedy of the Professional at law or equity.

(B) For Cause. If either party violates any provision or fails to perform any obligation of this Agreement and such party fails to cure its nonperformance within thirty (30) days after written notice of nonperformance is given by the non-defaulting party, such party will be in default. In the event of such default, the non-defaulting party may terminate this Agreement immediately for cause and will have all remedies that are available to it at law or in equity including, without limitation, the remedy of specific performance. If the nature of the defaulting party's nonperformance is such that it cannot reasonably be cured within thirty (30) days, then the defaulting party will have such additional period of time as may be reasonably necessary under the circumstances, provided the defaulting party immediately (i) provides written notice to the non-defaulting party and (ii) commences to cure its nonperformance and thereafter diligently continues to completion the cure of its nonperformance. In no event will any such cure period exceed ninety (90) days. Only one notice of nonperformance will be required during the term of this Agreement and in the event of a second breach or violation, the nondefaulting party may immediately terminate this Agreement without notice to the defaulting party. In the event of any termination for cause by NBU, payment will be made by NBU to the Professional for the undisputed portion of its fee due as of the termination date less any offsets to which NBU may be entitled under the terms of this Agreement.

(C) Non-Collusion. The Professional represents and warrants that the Professional has not given, made, promised or paid, nor offered to give, make, promise or pay any gift, bonus, commission, money or other consideration to any person as an inducement to or in order to obtain the work to be provided to NBU under this Agreement. If NBU determines that the Professional gave, made, promised, paid or offered any gift, bonus, commission, money, or other consideration to NBU or any of its officers, agents, or employees to secure this Agreement, NBU may elect to cancel this Agreement by written notice to the Professional. The Professional further agrees that the Professional shall not accept any gift, bonus, commission, money, or other consideration from any person (other than from NBU pursuant to this Agreement) for any of the Services performed by the Professional under or related to this Agreement. If any such gift, bonus, commission, money, or other consideration is received by or offered to the Professional, the Professional shall immediately report that fact to NBU and, NBU, at its sole option, may elect to cancel this Agreement by written notice to the Professional.

(D) Agreement Subject to Appropriation. This Agreement is subject to appropriation of funds. The provisions of this Agreement for payment of funds by NBU shall be effective when funds are appropriated for purposes of this Agreement and are actually available for payment. NBU shall be the sole judge and authority in determining the availability of funds under this Agreement and NBU shall keep the Professional fully informed as to the availability of funds for the Agreement. The obligation of NBU to make any payment pursuant to this Agreement is a current expense of NBU, payable exclusively from such annual appropriations, and is not a general obligation or indebtedness of NBU. If sufficient funds are not appropriated to pay the amounts as set forth in this Agreement during any immediately succeeding fiscal year, this Agreement shall terminate at the end of the then-current fiscal year and NBU and the Professional shall be relieved of any subsequent obligation under this Agreement.

Section 12. Miscellaneous.

(A) Independent Contractor. The Professional acknowledges that the Professional is an independent contractor of NBU and is not an employee, agent, official or representative of NBU. The Professional shall not represent, either expressly or through implication, that the Professional is an employee, agent, official or representative of NBU. Income taxes, self-employment taxes, social security taxes and the like shall be the sole responsibility of the Professional.

(B) Governing Law; Venue. This Agreement and all of the transactions contemplated herein shall be governed by and construed in accordance with the laws of the State of Texas. The provisions and obligations of this Agreement are performable in Comal County, Texas such that exclusive venue for any action arising out of this Agreement shall be in Comal County, Texas.

(C) Compliance with Laws. The Professional shall comply with all federal, state and local laws, statutes, ordinances, rules and regulations, and the orders and decrees of any courts, administrative, or regulatory bodies in any matter affecting the performance of this Agreement, including, without limitation, worker's compensation laws, minimum and maximum salary and wage statutes and regulations, and licensing laws and regulations. When required, the Professional shall furnish satisfactory proof of compliance to NBU.

(D) Amendments. This Agreement may only be amended, modified, or supplemented by a written amendment signed by persons duly authorized to enter into contracts on behalf of NBU and the Professional.

(E) Provisions Required by Law. Each and every provision of law and any clause required by law to be in the Agreement shall be read and enforced as though it were included herein and, if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the application of either party, the Agreement shall promptly be physically amended to make such insertion or correction.

(F) Severability. If any term or provision of this Agreement is held to be invalid, illegal, or unenforceable in any respect under applicable law, the legality, validity or enforceability of the remaining terms or provisions of this Agreement shall not be affected thereby, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

(G) Entire Agreement; Interpretation; Parol Evidence. This Agreement and the related Exhibits constitute the entire agreement of the parties with respect to the subject matter, and all previous agreements, whether oral or written, entered into prior to this Agreement are hereby revoked and superseded thereby. No representations, inducements or oral agreements have been made by any of the parties except as expressly set forth in this Agreement. This Agreement shall be construed and interpreted according to its plain meaning, and no presumption shall be deemed to apply in favor of, or against the party drafting the Agreement.

(H) No Assignment. Neither party shall have the right to assign that party's interest in this Agreement without the prior written consent of the other party. Any purported assignment in violation of this Section shall be null and void.

(I) Subcontractors. The Professional shall not transfer any portion of the work related to the Services under this Agreement to any subcontractor without the prior written consent of NBU, which consent shall not be unreasonably withheld. The approval or acquiescence of NBU in the subletting of any work shall not relieve the Professional of any responsibility for work done by such subcontractor. Failure to pay subcontractors in a timely manner pursuant to any subcontract shall be a material breach of this Agreement by the Professional.

(J) Waiver. No waiver by any party of any of the provisions of this Agreement shall be effective unless explicitly set forth in writing and signed by the party so waiving. No waiver of any breach or violation of any term of this Agreement shall be deemed or construed to constitute a waiver of any other breach or violation, whether concurrent or subsequent, and whether of the same or of a different type of breach or violation. No failure to exercise, or delay in exercising, any right, remedy, power, or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power, or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power, or privilege.

(K) Attorneys' Fees. In the event either party brings any action for any relief, declaratory or otherwise, arising out of this Agreement or on account of any breach or default hereof, the prevailing party will be entitled to receive from the other party reasonable attorneys' fees and reasonable costs and expenses, which will be deemed to have accrued on the commencement of such action.

(L) Liens. All materials, goods, or services provided under this Agreement shall be free of all liens and, if NBU requests, a formal release of all liens shall be delivered to NBU.

(M) Offset.

- i. Offset for Damages. In addition to all other remedies at law or equity, NBU may offset from any money due to the Professional any amount the Professional owes to NBU for damages resulting from breach or deficiencies in performance or breach of any obligation under this Agreement, including but not limited to all costs, expenses, fines, fees, and charges associated with obtaining performance from alternative sources, shipping, handling, materials, equipment rental, travel expenses and associated costs.
- ii. Offset for Delinquent Fees or Taxes. NBU may offset from any money due to the Professional any amount the Professional owes to NBU for delinquent fees, including any interest or penalties.

(N) Notices. Any notice or other communication required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given if (i) delivered to the party at the address set forth below, (ii) deposited in the U.S. Mail, registered or certified, return receipt requested, to the address set forth below, or (iii) given to a recognized and reputable overnight delivery service, to the address set forth below:

If to NBU:

New Braunfels Utilities
Attn: Chief Technology Officer
263 Main Plaza
New Braunfels, TX 78130

With copy to:

Purchasing Manager
New Braunfels Utilities
355 FM 306
New Braunfels, TX 78130

If to the Professional:

Signature Automation, LLC

17950 Preston Road, Suite 300
Dallas, TX 75252

or at such other address, and to the attention of such other person or officer, as any party may designate by providing thirty (30) days' prior written notice of such change to the other party in the manner set forth in this Section. Notices shall be deemed received (i) when delivered to the party, (ii) three business days after being placed in the U.S. Mail, properly addressed, with sufficient postage or (iii) the following business day after being given to a recognized overnight delivery service, with the person giving the notice paying all required charges and instructing the delivery service to deliver on the following business day. If a copy of a notice is also given to a party's counsel or other recipient, the provisions above governing the date on which a notice is deemed to have been received by a party shall mean and refer to the date on which the party, and not its counsel or other recipient to which a copy of the notice may be sent, is deemed to have received the notice.

(O) Confidentiality of Records. The Professional shall establish and maintain procedures and controls that are acceptable to NBU for the purpose of ensuring that information contained in its records or obtained from NBU or from others in carrying out the Professional's obligations under this Agreement shall not be used or disclosed by it, its agents, officers, or employees, except as required to perform the Professional's duties under this Agreement. Persons requesting such information should be referred to NBU. The Professional also agrees that any information pertaining to individual persons shall not be divulged other than to employees or officers of the Professional as needed for the performance of duties under this Agreement.

(P) Right to Audit. NBU shall have the right to examine and audit the books and records of the Professional with regard to the Services, or any subsequent changes, at any reasonable time. Such books and records shall be maintained in accordance with generally accepted principles of accounting and shall be adequate to enable determination of: (1) the substantiation and accuracy of any payments required to be made under this Agreement; and (2) compliance with the provisions of this Agreement.

(Q) Paragraph Headings; Construction. The paragraph headings contained in this Agreement are for convenience only and shall in no way enlarge or limit the scope or meaning of the various and several paragraphs hereof. Both parties have participated in the negotiation and preparation of this Agreement and this Agreement shall not be construed either more or less strongly against or for either party.

(R) Binding Effect. Except as limited herein, the terms and provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, devisees, personal and legal representatives, successors and assigns.

(S) Gender. Within this Agreement, words of any gender shall be held and construed to include any other gender, and words in the singular number shall be held and construed to include the plural, unless the context otherwise requires.

(T) Multiple Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

(U) Exhibits. Except as specified in Subsection (V) of this Section, all exhibits to this Agreement are incorporated herein by reference for all purposes wherever reference is made to the same.

(V) Conflicting Terms. In the case of any conflicts between the terms of this Agreement and the Exhibits, the statements in the body of this Agreement shall govern. The Exhibits are intended to detail the technical scope of services, fee schedule, and the term of the contract only and shall not dictate Agreement terms.

(W) Relationship of Parties. Nothing contained in this Agreement shall be deemed or construed by the parties hereto or by any third party to create the relationship of principal and agent or of partnership or of joint venture or of any association whatsoever between the parties, it being expressly understood and agreed that no provision contained in this Agreement nor any act or acts of the parties hereto shall be deemed to create any relationship between the parties other than the relationship of independent parties contracting with each other solely for the purpose of effecting the provisions of this Agreement.

(X) No Third-Party Beneficiaries. This Agreement is for the sole benefit of the parties hereto and their respective assigns and nothing herein, express or implied, is intended to or shall confer upon any other person or entity any legal or equitable right, benefit, or remedy of any nature whatsoever under or by reason of this Agreement.

(Y) Non-Exclusive Contract. This Agreement is entered into with the understanding and agreement that it is for the sole convenience of NBU. NBU reserves the right to obtain like goods and services from another source when necessary.

Section 13. Force Majeure. If the performance of any covenant or obligation to be performed hereunder by any party is delayed as a result of circumstances that are beyond the reasonable control of such party (which circumstances may include, without limitation, acts of God, war, acts of civil disobedience, epidemic, pandemic, fire or other casualty, shortage of materials, adverse weather conditions (such as, by way of illustration and not of limitation, severe rain storms or below freezing temperatures, or tornados), labor action, strikes or similar acts, moratoriums or regulations or actions by governmental authorities), the time for such performance shall be extended by the amount of time of such delay, but no longer than the amount of time reasonably occasioned by the delay. In no event will any delay or failure of performance caused by any force majeure condition extend this Agreement beyond its stated Term unless both parties agree in writing to such extension in an amendment to this Agreement. The party claiming delay of performance as a result of any of the foregoing force majeure events shall deliver written notice of the commencement of any such delay resulting from such force majeure event not later than seven (7) days after the claiming party becomes aware of the same, and if the claiming party fails to so notify the other party of the occurrence of a force majeure event causing such delay and the other party shall not otherwise be aware of such force majeure event, the claiming party shall not

be entitled to avail itself of the provisions for the extension of performance contained in this subsection.

Section 14. Dispute Resolution. In accordance with the provisions of Subchapter I, Chapter 271 of the Texas Local Government Code, as amended, the parties agree that, prior to instituting any lawsuit or other proceeding arising from a dispute under this agreement, the parties shall first attempt to resolve the dispute by taking the steps described in this Section. First, the dissatisfied party shall deliver to the other party a written notice substantially describing the nature of the dispute, which notice shall request a written response to be delivered to the dissatisfied party not less than five (5) days after receipt of the notice of dispute. Second, if the response does not reasonably resolve the dispute, in the opinion of the dissatisfied party, the dissatisfied party shall give five (5) days' written notice to that effect to the other party whereupon each party shall appoint a person having authority over the activities of the respective parties who shall promptly meet, in person, in an effort to resolve the dispute. Third, if those persons cannot or do not resolve the dispute, then the parties shall each appoint a person from the highest tier of managerial responsibility within each respective party, who shall then promptly meet, in person, in an effort to resolve the dispute.

Section 15. Disclosure of Business Relationships/Affiliations; Conflict of Interest Questionnaire. The Professional represents that it is in compliance with the applicable filing and disclosure requirements of Chapter 176 of the Texas Local Government Code, as amended.

Section 16. Information Technology

(A) Limited Access. If necessary for the fulfillment of the Agreement, NBU may provide the Professional with non-exclusive, limited access to NBU's information technology infrastructure. The Professional understands and agrees to abide by NBU policies, standards, regulations and restrictions regarding access and usage of NBU's information technology infrastructure. The Professional shall reasonably enforce such policies, standards, regulations and restrictions with all the Professional's employees, agents or any tier of subcontractor granted access in the performance of this Agreement, and shall be granted and authorize only such access as may be necessary for the purpose of fulfilling the requirements of the Agreement. The Professional's employees, agents and subcontractors must receive prior, written approval from NBU before being granted access to NBU's information technology infrastructure and data and NBU, in its sole determination, shall determine accessibility and limitations thereto. The Professional agrees that the requirements of this Section shall be incorporated into all subcontractor agreements entered into by the Professional. It is further agreed that a violation of this Section shall be deemed to cause irreparable harm that justifies injunctive relief in court. A violation of this Section may result in immediate termination of this Agreement without notice.

(B) Data Confidentiality. All data, regardless of form, including originals, images and reproductions, prepared by, obtained by or transmitted to the Professional in connection with this Agreement is confidential, proprietary information owned by NBU. Except as specifically provided in this Agreement, the Professional shall not intentionally disclose data generated in the performance of the Services to any third party without the prior, written consent of NBU.

(C) Data Security. Personal identifying information, financial account information, or restricted NBU information, whether electronic format or hard copy, is confidential and must be secured and protected at all times to avoid unauthorized access. At a minimum, the Professional must encrypt or password-protect electronic files. This includes data saved to laptop computers, computerized devices or removable storage devices.

(D) Compromised Security. In the event that data collected or obtained by the Professional in connection with this Agreement is believed to have been compromised or in the event of a cybersecurity event or breach, the Professional shall notify NBU immediately. **TO THE EXTENT PERMITTED BY SECTION 271.904 OF THE TEXAS LOCAL GOVERNMENT CODE, AS AMENDED, THE PROFESSIONAL SHALL INDEMNIFY AND HOLD NBU HARMLESS FROM ANY CLAIMS RESULTING FROM AN ACT OF NEGLIGENCE, INTENTIONAL TORT, INTELLECTUAL PROPERTY INFRINGEMENT, OR FAILURE TO PAY A SUBCONTRACTOR OR SUPPLIER COMMITTED IN CONNECTION WITH THE PERFORMANCE OF THIS AGREEMENT BY THE PROFESSIONAL, ITS OFFICERS, EMPLOYEES, CONSULTANTS, AGENTS, ANY TIER OF SUBCONTRACTOR, OR ANY ENTITY OVER WHICH THE PROFESSIONAL EXERCISES CONTROL.**

(E) Survival. The obligations of the Professional under this Section shall survive the termination of this Agreement.

Section 17. Prohibition on Contracts with Companies Boycotting Israel. The Professional hereby verifies that it and its parent company, wholly-or majority owned subsidiaries, and other affiliates, if any, does not boycott Israel and, to the extent this Agreement is a contract for goods or services, will not boycott Israel during the term of this Agreement as described in Chapter 2271 of the Texas Government Code, as amended. The foregoing verification is made solely to comply with Section 2271.002 of the Texas Government Code, as amended, and to the extent such Section does not contravene applicable federal and State law. As used in the foregoing verification, “boycott Israel” means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The Professional understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with the Professional and exists to make a profit.

Section 18. Contracts with Companies Engaged in Business with Iran, Sudan or Foreign Terrorist Organizations Prohibited. The Professional represents that neither it nor any of its parent company, wholly-or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, as amended, and posted on any of the following pages of such officer’s internet website:

<https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>,
<https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>, or
<https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>.

The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, as amended, and to the extent such Section does not contravene applicable federal or State

law and excludes the Professional and each of its parent company, wholly-or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The Professional understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with the Professional and exists to make a profit.

Section 19. Prohibition on Contracts with Companies in China, Iran, North Korea, or Russia. To the extent this Agreement relates to critical infrastructure in the State of Texas, the Professional represents the following:

- (A) it is not owned by or the majority of stock or other ownership interest in the Professional is not held or controlled by:
 - i. individuals who are citizens of China, Iran, North Korea, Russia, or a country designated by the Governor of Texas as a threat to critical infrastructure under Section 2274.0103 of the Texas Government Code, as amended (“designated country”); or
 - ii. a company or other entity, including a governmental entity, that is owned or controlled by citizens of or is directly controlled by the government of China, Iran, North Korea, Russia, or a designated country; or

- (B) it is not headquartered in China, Iran, North Korea, Russia, or a designated country.

The foregoing representation is made solely to comply with Chapter 2274 of the Texas Government Code, as amended, and to the extent such Section does not contravene applicable federal or State law. As used in the foregoing verification, “critical infrastructure” means a communication infrastructure system, cybersecurity system, electric grid, hazardous waste treatment system, or water treatment facility.

Section 20. Prohibition on Contracts with Companies Boycotting Energy Companies. The Professional hereby verifies that it and its parent company, wholly-or majority owned subsidiaries, and other affiliates, if any, do not boycott energy companies and, to the extent this Agreement is a contract for goods or services, will not boycott energy companies during the term of this Agreement as described in Chapter 2274 of the Texas Government Code, as amended.

The foregoing verification is made solely to comply with Section 2274.002 of the Texas Government Code, as amended, and to the extent such Section does not contravene applicable federal and State law. As used in the foregoing verification, “boycott energy companies” has the meaning used in Section 809.001 of the Texas Government Code, as amended. The Professional understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with the Professional and exists to make a profit.

Section 21. Prohibition on Contracts with Companies that Discriminate Against Firearm and Ammunition Industries. The Professional hereby verifies that it and its parent company, wholly-or majority owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and, to the extent

this Agreement is a contract for goods or services, will not discriminate against a firearm entity or firearm trade association during the term of this Agreement as described in Chapter 2274 of the Texas Government Code, as amended.

The foregoing verification is made solely to comply with Section 2274.002 of the Texas Government Code, as amended, and to the extent such Section does not contravene applicable federal and State law. As used in the foregoing verification, “discriminate against a firearm entity or firearm trade association” has the meaning used in Section 2274.001(3) of the Texas Government Code, as amended. The Professional understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with the Professional and exists to make a profit.

Section 22. Texas Public Information Act. The Professional recognizes that NBU is subject to the disclosure requirements of the Texas Public Information Act (the “PIA”). As part of its obligations within this Agreement, the Professional agrees, at no additional cost to NBU, to cooperate with NBU for any particular needs or obligations arising out of the NBU’s obligations under the PIA. This acknowledgement and obligation are in addition to and complimentary to the NBU’s audit rights in Section 12(P).

This provision applies if the Agreement has a stated expenditure of at least \$1 million in public funds for the purchase of goods or services by NBU or results in the expenditure of at least \$1 million in public funds for the purchase of goods or services by NBU in a fiscal year of NBU.

The Professional must (1) preserve all contracting information related to the Agreement as provided by the records retention requirements applicable to NBU for the duration of the Agreement; (2) promptly provide to NBU any contracting information related to the Agreement that is in the custody or possession of the Professional on request of NBU; and (3) on completion of the Agreement, either:

- (i) provide at no cost to NBU all contracting information related to the Agreement that is in the custody or possession of the Professional; or
- (ii) preserve the contracting information related to the Agreement as provided by the records retention requirements applicable to NBU.

The requirements of Subchapter J, Chapter 552, Texas Government Code, may apply to this Agreement and the Professional agrees that the Agreement can be terminated if the Professional knowingly or intentionally fails to comply with a requirement of that subchapter.

Section 23. Electronic Signatures. Pursuant to Chapter 322 of the Texas Business and Commerce Code, as amended, the parties agree to the use of electronic signatures herein and that the use of an electronic signature, whether digital or encrypted, is intended to have the same force and effect as a manual signature. Electronic signature means any electronic sound, symbol or process attached to or logically associated with a record and executed and adopted by a party with the intent to sign such record, including facsimile or e-mail electronic signatures. Each party further agrees that if it agrees to conduct a transaction by electronic means in this Agreement, it may refuse

to conduct other transactions by electronic means and that such right may not be waived by this Agreement.

(The remainder of this page intentionally left blank)

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on this the ____ day of _____, 2023.

NBU:

NEW BRAUNFELS UTILITIES,
a Texas municipally owned utility

By: _____
Name: Ryan Kelso
Title: Interim CEO

PROFESSIONAL:

SIGNATURE AUTOMATION, LLC,
a Texas limited liability company

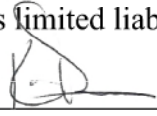
By:  _____
Name: Kevin Patel
Title: Vice President

Exhibit A

Services

The Professional shall provide all labor, material, and equipment necessary to develop supervisory control and data acquisition (“SCADA”) system project management services for the design and integration to the new Ignition Human Machine Interface (“HMI”), the development of Programmable Logic Controller (“PLC”) Standards, Add On Instruction (“AOI”) standards, and complete a panel build and installation for the Country Hills Pump Station which will be known as the SCADA Improvements Project (“Project”).

PHASE 1 - PROJECT PLANNING AND INITIATION

Task 1.1 - SCADA Programming Execution Plan

The Professional shall develop a plan that will define the work, communication protocols, baseline schedule and other pertinent data related on how to complete the Project (“Project Execution Plan”). The Professional shall distribute the Project Execution Plan to all stakeholders to assure all understand the overall Project and fully understand the assigned tasks.

DELIVERABLES

- Project Execution Plan (to be delivered by the date noted in the project plan in Exhibit D)

Task 1.2 – SCADA Programming Kickoff Meeting

Upon finalizing the Project Execution Plan, the Professional’s project manager shall conduct an internal planning meeting with the Professional’s team and shall make a formal request to NBU to schedule the Project kickoff meeting with all NBU stakeholders to review the Project Execution Plan.

The Professional understands that a project of this type that covers multiple systems and facilities will require a significant amount of internal and external coordination, especially when it comes to site assessments, workshop participation, and reviewing deliverables. NBU shall establish a “Core Team” no later than the Notice to Proceed date provided in Exhibit D. The Core Team should consist of a select number of NBU staff representing the various departments that utilize the SCADA system and (1) have knowledge of the existing SCADA system and facilities, (2) can collectively represent the interests of NBU in defining the requirements for the HMI, and (3) can dedicate the necessary time to actively participate in the HMI upgrade planning and applications development activities. This topic will be reviewed during the project kickoff meeting and the Professional will assist NBU in identifying personnel that should be considered for this Core Team.

During the kickoff meeting, the Professional shall do the following:

- a. establish and document project goals, parameters, and protocols;
- b. ensure a common understanding of the detailed project scope and schedule by the entire project team;
- c. review the baseline schedule and planned tasks, with special emphasis on workshops and review meetings that will involve NBU staff;
- d. work with the NBU's project manager to select a core team of NBU staff representing the departments that utilize the SCADA system;
- e. review and confirm the broad goals and objectives of the project; and
- f. prepare minutes from the meeting.

DELIVERABLES

- Kickoff Meeting Agenda and Minutes (agenda to be delivered one week prior to the Project kickoff meeting via email and minutes to be delivered one week following via email)

Task 1.3 - SCADA Programming Execution and Control

Upon completion of the Kickoff Meeting, the Professional's project manager shall update the Project Execution Plan. The revised Project Execution Plan shall then be submitted as a record document.

The intent of this project is to provide a replacement for the existing HMI system based on the new programming standards. However, as the project progresses and a better understanding is gained of the existing system and the new software to be provided, there may be opportunities for additional improvements that fall outside of the boundaries of the scope of services defined herein. Throughout the project, the Professional will maintain a list of these types of items in the form of a Future Enhancements List. At the conclusion of the work defined in the project plan, the Professional will review the list with NBU during a 2-hour virtual meeting to determine if any of the items should be implemented as part of the Supplemental Services on this Agreement or should be considered via a separate contracting mechanism.

DELIVERABLES:

- Revised Project Execution Plan (based on project kickoff meeting minutes) (due one week following delivery of minutes)
- Future Enhancements List (updated throughout the project) (due following the execution of the project plan)

Task 1.4 – SCADA Programming Progress Meetings

Throughout the Project, the Professional will conduct monthly meetings to review the progress of this Project and to discuss any outstanding issues and potential problems. The Professional will develop a standard agenda one week prior for the meetings and provide minutes one week following each meeting. The Professional will make use of online collaboration tools to help

defray the travel time and costs where feasible. In addition to the monthly progress meetings, additional meetings, conference calls, or workshops will be conducted as needed to support each of the Project tasks.

The Professional will prepare a monthly report to support invoicing that will document the overall progress of the Project, including the work since the last report and the anticipated work during the next reporting period. The report will also identify any potential areas of concern or any items that are pending to aid in keeping everything moving to meet the schedule.

DELIVERABLES

- Monthly Progress Reports & Invoices (due no later than the end of the following month)
- Monthly Progress Meeting Agendas and Minutes (agenda to be delivered one week prior to the progress meetings via email and minutes to be delivered one week following via email)

PHASE 2 – APPLICATION ENGINEERING

NBU has elected to transition to Situational Awareness style graphics that align with American National Standards Institute (“ANSI”)/ International Society of Automation (“ISA”) 101. To accomplish this, in depth HMI standards were developed to serve as a guide to the Professional during the implementation phase. Standardized solutions are often difficult to achieve; however, following a consistent approach will eliminate confusion among NBU staff and improve maintainability across all NBU facilities, especially as newer employees join NBU. To maximize the effectiveness of the overall HMI standards development, the Professional shall develop and test PLC standard control blocks and programming standards during this phase to allow NBU to take advantage of all the features and control being implemented on the HMI.

Task 2.1 – HMI Graphics Definition

a. SCADA System I/O List Development

The Professional shall review the extracted databases from the HMI and PLC systems to document the SCADA Input/Output (“I/O”) list for use in the updated SCADA system. The PLC review will consist of all PLCs throughout NBU. This I/O list should include the parameters needed for the configuration of the HMI database and will include the new HMI tag naming convention. The I/O list should also include designations of alarms to be configured, based on the alarm philosophy defined in the standards.

The Professional shall conduct two (2) sets of two (2) three-hour workshops with the NBU core team to develop the I/O List. The first set of workshops will review the surface water treatment tags while the second set of workshops will review the wastewater treatment tags. The first workshop and second workshop in each set are defined in the following paragraphs where the same tasks will be performed with the water treatment team (2 workshops) and then with the wastewater treatment team (2 workshops).

During the first workshop, the Professional shall lead in depth discussions with NBU Water SCADA staff to review the I/O list and confirm the Professional's initial findings relative to any duplications and discrepancies that are identified. The Professional shall seek input from NBU for concurrence on these and for any other issues that they may be aware of. Additionally, during the workshop, the Professional shall work with NBU staff to identify any tags that may no longer be in use. The objective of this workshop is to develop an HMI database with no misconfigured or unused tags to optimize the implementation of the database within the new system.

At the conclusion of the first workshop, the Professional shall modify the database to reflect the changes that result from those discussions. The resulting database will be used as a starting point for the second workshop. During the second workshop, the Professional will focus on identifying the alarming associated with the tags. Prior to this second workshop, The Professional shall use the alarm philosophy defined to pre-configure the alarming requirements for each tag. The Professional, however, understands that there may be some tags that will deviate from the overall philosophy and during this second workshop, the Professional will review the pre-configured alarming with NBU staff to gain consensus of the overall configuration and to identify any deviations from the philosophy that may exist for specific tags. The objective of this second workshop is to develop a concise database that can be implemented in NBU's new system.

b. Reporting Workshop

The Professional shall conduct two (2) half-day workshops to review existing SCADA reports and to document reports that will be required to be developed. During the initial workshop, the Professional shall provide samples of reports developed for other utilities to allow NBU staff to brainstorm about possible reports that would be beneficial for future use. Data that will populate these reports will also be reviewed based on the information that is available within the existing system. Additionally, the Professional will hold discussions with NBU regarding any new calculations or other new data that is required to achieve the operational reports desired by NBU.

After the initial workshop, the Professional shall develop sample layouts of the reports desired in Microsoft Excel format. The Professional will submit these reports to NBU two weeks following the workshop and NBU will have a two-week period for review. Approximately halfway through the review period, the Professional will hold a second reports workshop to present the sample reports templates and gather review comments from NBU staff. NBU will then have the rest of the review period to complete the review and provide written comments. The Professional will use the resulting comments to finalize the reports templates and in developing the final reports for NBU once the new system is implemented.

DELIVERABLES

- Water Treatment I/O List Development and Alarm I/O Workshop Meeting Agenda and Minutes (2) (agenda to be delivered one week prior to the meeting via email and minutes to be delivered one week following via email)

- Wastewater Treatment I/O List Development and Alarm I/O Workshop Meeting Agenda and Minutes (2) (agenda to be delivered one week prior to the meeting via email and minutes to be delivered one week following via email)
- Report Workshop Meeting Agenda and Minutes (2) (agenda to be delivered one week prior to the meeting via email and minutes to be delivered one week following via email)

Task 2.2 – Programmable Logic Controller (PLC) Programming Standards

- a. The Professional will work closely with NBU to develop PLC Programming Standards that will aid in guiding future development of PLC programming. These standards should be consistent with the current Rockwell hardware in place within NBU.
- b. Prior to developing the PLC programming standards and the standards review workshop, the Professional will conduct two (2) 1-day PLC AOI workshops to define and review the required AOI to be developed for future programming efforts. During the AOI development workshop, the Professional will facilitate the discussions around the functionality and layout of the AOI's including all inputs and outputs desired for each common control block. Additionally, the Professional should be prepared to openly discuss with all attendees the items that are to be covered in each section of the programming standards. The topics to be covered should include the following:
 1. Purpose – Summary of Intent
 2. Definitions – Terms Specific to the Procedure
 3. Roles and Responsibilities
 4. Detailed Procedure
 - a. Requirements for Deviations from Standard
 - b. Process Philosophy
 - c. Modifications to Legacy PLC Code
 5. Evaluation Criteria and Performance Measures
 - a. Programmer Requirements
 6. Key Words or Phrases
 7. Related Policies, Procedures and Standards
 8. Version Control and Change Management
 9. PLC Software Naming Conventions
 - a. File Naming
 - b. Tag Names
 - c. Module Naming
 - d. Channel Naming
 10. Project Configuration
 11. Hardware Configuration
 - a. Processor Configuration
 - b. Ethernet Configuration
 - c. I/O Card Configuration
 - d. Hardware Diagnostics
 12. Software Configuration
 - a. PLC Programming Software
 - b. Programming Structure
 - c. I/O Mapping

- d. Protocol/Driver Configuration
- 13. PLC Function Blocks
 - a. Overview
 - b. Digital Input
 - c. Digital Output
 - d. Analog Input
 - e. Analog Output
 - f. PLC Clock Read
 - g. Equipment Runtime and Starts
 - h. Automatic Flow Pacing
 - i. Flow Totalizer
 - j. Constant Speed Motor
 - k. Variable Frequency Drive
 - l. Discrete Valve or Gate
 - m. Modulating Valve
 - n. Lead-Follow
 - o. Information and Tagout Control
 - p. Intrusion Schedule
 - q. PID Control

The discussions will be used as the basis for initiating the development of the PLC Programming Standards. The Professional shall develop the PLC Programming Standards first in a draft format and submit to NBU for review and comment. In conjunction with submission of the draft PLC Programming Standards, the Professional will request the scheduling of a draft PLC Programming Standards Workshop for a duration of 1 day. The workshop will aid in answering any questions and/or clarify any items in the PLC Programming Standards. The Professional shall develop minutes and provide the minutes to all attendees to gain concurrence that the discussions accurately capture the direction NBU has provided.

The discussions held during the review workshop along with the formal review comments received from NBU will be used as the basis for finalizing PLC Programming Standards. The final PLC Programming Standards will be provided to NBU for inclusion in future bidding documents for future contractor and developer driven projects.

DELIVERABLES

- PLC Add-On Instruction Workshop Agenda and Minutes (2) (agenda to be delivered one week prior to the workshop via email and minutes to be delivered one week following via email)
- PLC Programming Standards Draft (due two weeks following initial workshop)
- PLC Programming Standards Final (due two weeks after comments submitted)
- PLC Programming Standards Workshop Agenda and Minutes (agenda to be delivered one week prior to the workshop via email and minutes to be delivered one week following via email)

Task 2.3 – Alarm Management Approach Development

- a. The Professional shall interview key NBU operations staff to determine the general effectiveness of the HMI system alarms as they are currently configured on each system. The Professional shall work with NBU staff to gather a snapshot of the HMI system alarms. The Professional shall then review the snapshot data and the information gained through the interviews to obtain a thorough understanding of the existing HMI system alarms.
- b. The Professional shall conduct two (2) half-day alarm management workshops. During the workshop, the Professional shall discuss alarm performance metrics that should be targeted on the new system and how to achieve those metrics, as well as the alarm management capabilities of the future HMI system.
- c. The Professional shall use the information gathered from the two workshops, as well as the discussions held during the alarm management workshops, as the basis for developing a preliminary Alarm Management Approach Technical Memorandum (“TM”). This TM should leverage current best practices in alarm management into this philosophy and incorporate the principles of commonly referenced standards and practices such as ISA-18.2, American Petroleum Institute (API)-1167, and Engineering Equipment and Materials Users Association (EEMUA) 191. The Alarm Management Approach TM should consist of the following key elements:
 1. alarm management philosophy overview, purpose, and use
 2. requirements for alarm determination
 3. proper and consistent determination and use of alarm priority
 4. specific alarm design considerations
 5. alarm rationalization principles and practices
 6. specification of documentation required for each alarm
 7. management of change of the alarm system
 8. operator and staff training requirements
- d. The Professional shall prepare a draft version of the Alarm Management Approach TM to provide to NBU for a two-week review period. Approximately halfway through the review period, the Professional shall conduct a workshop to present the TM and gather initial review comments. NBU will have the remainder of the review period to complete the TM review and provide written comments. The final version of the Alarm Management Approach TM shall be delivered two weeks following NBU’s comments being submitted.

DELIVERABLES

- Alarm Management Workshop Meeting Agenda and Minutes (2) (agenda to be delivered one week prior to the workshop via email and minutes to be delivered one week following via email)
- Draft Alarm Management Approach Technical Memorandum (TM) (delivered two weeks following workshop)

- Final Alarm Management Approach Technical Memorandum (TM) (delivered two weeks following NBU comments)

Task 2.4 – Develop SCADA System Migration Plan

The Professional will develop a SCADA System Migration Plan that details the steps necessary to transition from the existing HMI system to the selected Ignition brand SCADA system. The plan should outline an approach for field installation and testing, including an approach for parallel operation during the transition period.

DELIVERABLES

- SCADA System Migration Plan (to be delivered by the date noted in the project timeline in Exhibit D)

PHASE 3 – PROGRAMMING AND INTEGRATION

Task 3.1 – SCADA Programming Submittals

The Professional shall provide NBU the following submittals throughout the duration of the Project:

- a. Process Graphics Submittal – The Professional will provide the process graphics submittal, which will include all proposed graphic displays, examples of each type of popup, and examples of trends. The tag database will also be included with information provided on abnormal tag settings.
- b. Historical Data Management and Reports Submittal – The Professional will provide the historical data management and reports submittal, which will include listing of all signals to be collected and stored, listing of all reports, methods for generating and accessing reports, data backup procedures and copies of the reports.
- c. Testing Procedures Submittal – The Professional will provide a thorough testing submittal that will detail the testing to be provided, setup required, and steps required for each test which is formatted in a cause-and-effect manner. A testing procedure submittal will be produced for both the HMI testing and the PLC testing.
- d. Software Maintenance Documentation Submittal – The Professional will provide the software maintenance documentation, which will include application software manuals, software listings and databases, and machine-readable documentation.
- e. Operations and Maintenance Manuals Submittal – The Professional will provide the operations and maintenance manuals for the system operators. These manuals shall be bound and contain all information necessary for operations staff to operate the system.

DELIVERABLES

- Process Graphics Submittal (1 electronic copy) (to be delivered by the date noted in the

- project timeline in Exhibit D)
- Historical Data Management and Reports Submittal (1 electronic copy) (to be delivered by the date noted in the project timeline in Exhibit D)
 - HMI Testing Procedures Submittal (1 electronic copy) (to be delivered by the date noted in the project timeline in Exhibit D)
 - PLC Testing Procedures Submittal (1 electronic copy) (to be delivered by the date noted in the project timeline in Exhibit D)
 - Software Maintenance Documentation Submittal (1 electronic copy) (to be delivered by the date noted in the project timeline in Exhibit D)
 - Operations and Maintenance Manuals Submittal (2 hard copies and 1 electronic copy) (to be delivered by the date noted in the project timeline in Exhibit D)

Task 3.2 – Graphics Development

The Professional shall develop process graphics on the control system using the approved HMI Standards Submittal. The Professional shall conduct a half day virtual review workshop to present the process graphics to NBU for review and comment.

Upon approval of all HMI standard objects and graphic layouts, the Professional shall develop HMI graphics based on the existing HMI graphics for each site. The Professional shall submit graphics for approval by NBU after each process area is completed. The Professional will continue this process until all graphics are developed in the Ignition HMI software. All Rockwell PLCs will utilize the latest HMI standards and templates configured for NBU, while all Siemens PLCs will have custom HMI objects and templates developed to allow for the existing Siemens PLC programming to remain in place.

Once all review comments are incorporated, the final graphics will be compiled for the Process Graphics Submittal.

Lastly, the Professional shall configure servers and software to include redundancy, which includes failure testing for the HMI servers and historians. This task includes the configuration of the HMI database defining all associated I/O interface points between the PLC and HMI and all pseudo points required to support the user interface. The Professional shall perform a review of all tag settings and descriptions to determine if any seem abnormal. All abnormal data from the database shall be presented to NBU for resolution.

DELIVERABLES

- HMI Graphics as process areas are completed (electronic copy only) (to be delivered by the date noted in the project timeline in Exhibit D)

Task 3.3 – PLC Development

The Professional shall develop and update PLC programs on the control system using the approved PLC Standards Submittal.

The Professional shall replace the subpanel at the Country Hills Pump Station site with equipment and materials acceptable to NBU.

The Professional will develop one (1) Rockwell PLC program for the Country Hills Pump Station site. A PDF printout will be submitted of the program to allow NBU to review the logic prior to commissioning.

For the Rockwell PLCs (quantity of 45 PLCs), the Professional will update the programs to include the new Add-On Instructions developed and will add mapping from the existing logic to the new AOI's to allow the programs to match up with the HMI standards developed. During this update, no automatic control sequences will be modified.

For this scope, the remaining Siemens PLCs will remain in place and communicate directly to the new HMI.

DELIVERABLES

- Rockwell PLC Add-On Instructions (electronic copy only) (to be delivered by the date noted in the project timeline in Exhibit D)
- PLC Program for Country Hills Site (electronic copy only) (to be delivered by the date noted in the project timeline in Exhibit D)
- PLC Subpanel Replacement including hardware, install, and testing for Country Hills Site (to be delivered by the date noted in the project timeline in Exhibit D)
- PLC Program Updates for Remaining 45 Rockwell PLCs with New AOI's (electronic copy only) (to be delivered by the date noted in the project timeline in Exhibit D)

Task 3.4 – External Applications Data Transfer

The Professional shall conduct one (1), two-hour workshop with appropriate NBU personnel to determine what data, if any, should be shared with other NBU applications. The Professional shall document the results in the form of meeting minutes and will use these findings as the basis for configuring the HMI system to “push” this data from the HMI system selected to the external application, such as Hach WIMS.

DELIVERABLES

- Workshop Minutes (delivered one week following workshop)

Task 3.5 – Historical Configuration

- a. The Professional will export up to seven (7) years of data from the existing NBU legacy systems for importing into the new historian. Prior to importing the data to the new historian, the Professional shall submit a list of tags and files of data to NBU for review. After historical data has been imported, the Professional shall test through trends and reports to verify the data can be properly queried.
- b. The Professional will create up to five (5) historical reports from the exported data, as

directed by NBU.

DELIVERABLES

- Historian Tag Additions and Modifications Report (to be delivered by the date noted in the project timeline in Exhibit D)
- Historical Reports (5) (to be delivered by the date noted in the project timeline in Exhibit D)

Task 3.6 – Testing and Commissioning

- a. The Professional will conduct software testing at various stages of the system to confirm the applications development activities meet the intent of the design. Testing will be based on a cause-and-effect approach. The Professional will develop test procedures to use for each test. For all field testing, the new HMI hardware will be staged such that the graphics between the existing and new HMI applications can be compared on a screen-by-screen basis. The following tests will be conducted by the Professional.

1. Software Demonstration Test – This test will be conducted at the Professional’s facility in San Antonio and will be witnessed. The purpose of the software demonstration test is to verify the complete HMI system functionality, performance, and stability of the hardware and software. Upon successful completion of this test, the system will be shipped to the project site. In addition to a system audit, testing performed includes demonstration of operability of all servers, network, communication failure and recovery, I/O, reports, backup and storage, and alarm/events. The Professional will provide up to 2 days for testing.

2. HMI Operational Readiness Test (HMI ORT) – This test will be conducted on site, and include field testing and comparisons to the existing HMI system. Each pre-defined group of locations will be tested when the graphics are completed and internally tested. Once all work at the group of locations is complete, the next group of locations will then be started. The groups are currently defined as each treatment facility along with the distribution system. Additionally, the Professional will spot check existing control strategies prior to demonstrating the applications to NBU. Upon successful completion of the HMI ORT, the Professional will coordinate with NBU to demonstrate the new HMI application. The Professional will provide up to 10 days for testing for each group.

2. Rockwell PLC Operational Readiness Test (PLC ORT - Rockwell) – This test will be conducted on site, and include field testing and comparisons to the existing PLC and HMI system. The Professional will spot check existing control strategies prior to demonstrating the applications to NBU. Upon successful completion of the PLC ORT, the Professional will coordinate with NBU to demonstrate the new PLC application. The Professional will provide up to 2 days for testing the new PLC program. For the remaining 45 Rockwell PLCs, The Professional will estimate 1 day per PLC for software testing and communication verification. It is anticipated that only general

function of equipment due to AOI changes will be tested and this will not include an entire I/O check.

3. Siemens PLC Operational Readiness Test (PLC ORT - Siemens) – This test will be conducted on site, and include field testing and comparisons to the existing PLC and HMI system. The Professional will check existing control strategies prior to demonstrating the applications to NBU. Upon successful completion of the PLC ORT, the Professional will coordinate with NBU to demonstrate the application on the new HMI. The Professional will provide up to 1 day per PLC for software testing and communication verification. It is anticipated that only general function of equipment due to communication and HMI changes will be tested and this will not include an entire I/O check.

4. 30-day Site Acceptance Test (“SAT”) – This testing will allow the HMI and PLC system to operate for up to 30 days without any programming or configuration changes being made. When needed to resolve punch list items or correct any deficiencies, the Professional will provide onsite or remote support (1 day onsite and on call for 29 additional days thereafter).

DELIVERABLES

- Copies of Software Demonstration Test Sign Off Sheets (to be delivered by the date noted in the project timeline in Exhibit D)
- Copies of HMI ORT Sign Off Sheets (to be delivered by the date noted in the project timeline in Exhibit D)
- Copies of PLC ORT Sign Off Sheets (to be delivered by the date noted in the project timeline in Exhibit D)
- 30-day Acceptance Test Discrepancy and Resolution Log (to be delivered two weeks following copies of the PLC ORT Sign Off Sheets)

Task 3.7 – Change Management Software Configuration

The Professional shall incorporate the new HMI software into NBU’s system to aid in tracking changes to the HMI. This shall be done after testing and commissioning has been completed so that changes after the system have been substantially completed can be tracked.

Task 3.8 – Training

- a. The Professional shall provide training to NBU staff for the new HMI system, as provided in Table 1. The Professional shall coordinate the schedule of these sessions with NBU to ensure all shifts for all facilities are covered.

Table 1: Training Details			
Session Description	Number of Sessions	Approximate Duration (hours)	Maximum Number of Trainees per Session
Control System Overview	1	2	5
Operator Control System	2	6	10
Software Maintenance and Administration	1	16	5
Historian	1	6	5

The training shall consist of the following:

1. Control System Overview Training
 - a. An overview of the process control system explaining how the hardware and software supplied is used for the operation and control of the facilities.
 - b. A block diagram presentation of the process control system showing how and what information flow within the System and what is done by each functional unit.
 - c. An explanation of the operator interfaces including a demonstration of how to use an Operator’s workstation to access displays, reports, control, etc.
 - d. A walk-through of the installed system explaining each of the items covered in the functional unit’s discussion. The features and functions of operator controls and interfaces shall be discussed.
2. Operator Control System Training
 - a. Overview of Process Control System
 - b. HMI Software Naming Conventions
 - c. Graphic Display Standards
 - d. Review of HMI and Navigation
 - e. Alarming
 - f. Trending
 - g. Review historical logged data
 - h. Review reports
 - i. Operator Control Standards
 - j. Security Configuration Standards
3. Software Maintenance and Administration Training
 - a. Review of HMI application and configuration implemented
 - b. Review of Process Control Systems Software

- c. Review of Process Control Systems Hardware
 - d. Review of HMI/PLC/Historian/Reporting and Backup System
 - e. Review of change management procedures and applications
 - f. Provide O&M documents containing application programs and configuration information
4. Historian Training
- a. Review of accessing and modifying historical data from the historian
 - b. Review backup and restore of historical data
 - c. Review methods to visualize and share data
 - d. Review reports

DELIVERABLE

- Training Documents (to be delivered by the date noted in the project timeline in Exhibit D)

PHASE 4 –SUPPLEMENTAL SERVICES

Pursuant to Section 4(B) of the Agreement, the Professional shall seek prior written approval from NBU before commencing work on any supplemental services described in this Section. If NBU requests the Professional to perform the supplemental services, NBU and the Professional shall agree in advance and in writing by supplemental services authorization or contract amendment, as appropriate, detailing the services to be performed and the completion date. The Professional acknowledges the contact duration will not increase as a result of engaging the supplemental services. Supplemental services may include:

1. Additional Engineering Services – Provide additional engineering services for items identified during the evaluation, construction and startup. Provide all related documentation, calculation, and graphical report as required to complete the defined objective(s).
2. Additional HMI configuration and support services as defined by NBU beyond the replacement.
3. Additional field commissioning support beyond what has been called out within this Agreement.
4. Additional Historical configuration and operational reports development services as defined by NBU beyond the items in this Agreement.

Time of Completion

The Professional is authorized to commence work on the Services of the Project upon execution of this Agreement and agrees to complete these Services in accordance with the schedule below and Exhibit D:

Project Milestones	Start Date	End Date
PHASE 1 - PROJECT PLANNING AND INITIATION	9/1/2023	5/21/2025
PHASE 2 - APPLICATION ENGINEERING	9/19/2023	2/21/2023
PHASE 3 - PROGRAMMING AND INTEGRATION	9/19/2023	5/16/2025

Submittal Milestones for Certain Reports	Submittal Date
Process Graphics Submittal	12/27/2024
Historical Data Management and Reports Submittal	5/3/2024
HMI Testing Procedures Submittal	3/14/2024
PLC Testing Procedures Submittal	3/22/2024
Software Maintenance Documentation Submittal	2/4/2025
Operations and Maintenance Manuals Submittal	2/21/2025

For timelines not included in Exhibit A, the Professional shall comply with the timelines included in Exhibit D.

Exhibit B

Compensation

NBU shall pay the Professional for the Services and Supplemental Services rendered under this Agreement in accordance with the tables below and made part of this Agreement.

Services

NBU shall pay the Professional for the Services during the term of this Agreement in an amount not to exceed \$1,751,110.00.

Description	Fee
PHASE 1 - PROJECT PLANNING AND INITIATION	\$ 61,312
PHASE 2 - APPLICATION ENGINEERING	\$ 204,628
PHASE 3 - PROGRAMMING AND INTEGRATION	\$1,485,170
Total	\$1,751,110

Supplemental Services

NBU shall pay the Professional for the Supplemental Services in an amount not to exceed \$159,120; provided, however, that NBU must provide written approval in the form of a supplemental services authorization or contract amendment, as appropriate, prior to the Professional performing the Supplemental Services.

Description	Fee
PHASE 4 - SUPPLEMENTAL SERVICES	\$ 159,120

Exhibit C
Evidence of Insurance

Exhibit D
Project Timeline