

PROFESSIONAL SERVICES AGREEMENT

This **PROFESSIONAL SERVICES AGREEMENT** (the “Agreement”) is made and entered by and between **NEW BRAUNFELS UTILITIES**, a Texas municipal owned utility (“NBU”), and **SCHNEIDER ENGINEERING, LLC**, a Texas limited liability company (the “Professional”).

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. 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 performed with the professional skill and care ordinarily provided by competent engineers practicing under the same or similar circumstances.

(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. 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 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 order. Work that is clearly not within the general description of the Services under this Agreement must be approved in writing by NBU by supplemental agreement 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 supplemental agreement 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, which shall include engineers and/or project managers, 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. 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 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.

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 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;
- 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- 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 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, which shall not be unreasonably withheld. 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 commencing any of the Services under this Agreement, the Professional shall provide NBU with suitable evidence of insurance in the form of certificates of insurance and a copy of the declaration page(s) of the insurance policies as required by this Agreement, issued by the Professional's insurance provider(s) as evidence that policies are in place with acceptable insurers as specified herein and provide the required coverage, conditions and limits of coverage specified in this Agreement and that such coverage and provisions are in full force and effect. Evidence of such insurance shall be attached as Exhibit C. Confidential information such as the policy premium may be redacted from the declaration page(s) of each insurance policy, provided that such redactions do not alter any of the information required by this Agreement. NBU will rely upon the certificates of insurance and declaration page(s) of the insurance policies 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 declaration page(s) to NBU thirty (30) days prior to the expiration date. All certificates of insurance and declarations required by this Agreement will be identified by referencing the RFB number and title of this Agreement. Additionally, certificates of insurance and declaration page(s) of the insurance policies submitted without referencing the appropriate RFB number and title or a reference to this Agreement, as applicable, will be subject to rejection and may be returned or discarded.

(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. 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. Vehicle Liability. The Professional shall maintain Business Automobile Liability insurance with a limit of \$1,000,000 each occurrence on the Professional’s owned, hired and non-owned vehicles 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 a copy of the declaration page(s) of the insurance policies evidencing proper coverage is in effect as required above. Confidential information such as the policy premium or proprietary information may be redacted from the declaration page(s) of each insurance policy, 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 or services provided under this Agreement shall be free of all liens and, if NBU requests and provided that NBU is current with its payment obligations of all undisputed amounts hereunder, 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, transaction privilege taxes and property taxes, 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: Director of Electric Services
355 FM 306
New Braunfels, TX 78130

With copy to:

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

If to the Professional:

Schneider Engineering, LLC
Attn: Lance Pettigrew, P.E.
191 Menger Springs Parkway
Boerne, TX 78006

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. Subject to Section 3 of this Agreement, 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, pending litigation, 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. 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, 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. BUT**

ONLY TO THE EXTENT SUCH CLAIMS ARE CAUSED BY OR RESULT FROM ANY NEGLIGENT OR INTENTIONAL ACTS OR OMISSIONS OF THE PROFESSIONAL, ITS AGENT, ANY CONSULTANT UNDER CONTRACT, SUBCONTRACTOR OR ANY OTHER 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 Chapter 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. 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 20. 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.

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement on this the ____ day of _____, 20____.

NBU:
NEW BRAUNFELS UTILITIES,
a Texas municipal owned utility

By: _____
Name: Ian Taylor
Title: CEO

PROFESSIONAL:
SCHNEIDER ENGINEERING, LLC,
a Texas limited liability company

By: _____
Name: _____
Title: _____

Exhibit A
Services

The Professional shall provide substation and transmission design services, regulatory tracking and compliance consulting services, distribution material specification services, and system planning consulting services (collectively, “the Services”) during fiscal years 2022 and 2023 (“FY22 and FY23”).

The Professional shall provide the Services as further described herein.

SUBSTATION AND TRANSMISSION DESIGN SERVICES

The Professional shall provide engineering coordination, engineering design, plans and drawings, material procurement consulting, construction coordination, and construction bidding and contracting support services (collectively, “the Substation and Transmission Design Services”) for the following major substation and transmission projects during the FY22 and FY23:

1. TXI T1 Replacement;
2. Sheriff’s Posse Ring Bus Conversion;
3. EC Mornhinweg Ring Bus Conversion / T2 Addition;
4. Hortontown Switch 9314 Relocation;
5. Weltner Road Feeder Breaker Addition;
6. Storm Damage Breaker Replacement;
7. Freiheit FR-22 Breaker Addition;
8. Comal CO-14 Breaker Addition;
9. Hueco Springs Substation Addition;
10. Maintenance Testing Specification;
11. Weltner Road 138kV Breaker Upgrade Support;
12. Loop 337 Substation Drainage Improvements; and
13. T-336 Str. # 36 Transmission Pole Replacement.

The Professional shall perform the Substation and Transmission Design Services as described herein.

1. Engineering Coordination as described herein.
 - a. The Professional shall coordinate with Lower Colorado River Authority (“LCRA”) for project scheduling, outage coordination, drawing exchange and others as needed.

2. Engineering Design

a. Substation engineering to include:

- i. One-Line Diagram;
- ii. Three Line Diagram;
- iii. Project Layout;
- iv. Foundation Layout and Details;
- v. Elevation Section Views and Details;
- vi. Grounding Layout and Details;
- vii. Conduit Layout and Details;
- viii. Structural Steel Loading Diagrams and Steel Fabrication Detail Drawings;
- ix. Relay One-Line Diagram with Relaying Devices and CT Ratios;
- x. Panel Assembly Drawings (Front and Rear View);
- xi. Control House Layout;
- xii. Panel Wiring Diagrams;
- xiii. Schematic Diagrams;
- xiv. AC and DC Panel Connections with Schematic Diagram;
- xv. All Interconnection Wiring Diagrams;
- xvi. Cable schedule with cable size, type, beginning and termination points; and
- xvii. Protection, Controls, and Indication Relay Settings.

b. Transmission engineering to include:

- i. Phasing Diagram;
- ii. Plan and Profile;
- iii. Structure and Hardware;
- iv. Stringing Charts; and
- v. PLS_CADD Files.

3. Plans and Drawings as described herein.

- a. The Professional shall follow NBU's guidelines regarding the number of drawing sets to be delivered for "Construction" and "As-Built" Purposes. The "For Construction" issue includes two (2) large (24"x36") and two (2) small (11"x17") sets of project drawings.
- b. The As-built drawing set includes two (2) complete large and one (1) small sets with electronic files (PDF and AutoCAD versions) for NBU's use. This set of drawings shall include all project drawings with a complete drawing list. All mark-ups from the NBU's contractor and LCRA shall be drafted as part of the project to be included in the final "As-Built" set.

4. Material Procurement Consulting as described herein.

- a. The Professional shall provide consulting services as needed for specification and procurement of the major project substation materials. Services shall include

assistance with bidding any long-lead time items, evaluating the bids received, providing a letter of recommendation to NBU and reviewing and processing the equipment approval drawings.

5. Construction Coordination as described herein.

- a. The Professional shall provide construction coordinating services, including reviewing and approval of Contractor-provided material, schedule and drawings; coordination between Contractor and NBU during construction; reviewing and approving Contractor invoicing; performing weekly site visits; providing reports during construction and performing a final observation after installation and coordination for final acceptance testing.

6. Construction Bidding and Contracting Support as described herein.

- a. The Professional shall coordinate with NBU's Purchasing department to develop construction bid documents to include:
 - i. Notice and Instruction to Bidders;
 - ii. Construction Specifications;
 - iii. Construction Unit Descriptions;
 - iv. Contractor's Proposal and Obligations;
 - v. Unit Bid Tabulation Forms;
 - vi. Proposal Summary Form;
 - vii. Acceptance form; and
 - viii. Major and Minor Bill of Materials.
- b. The Professional shall also provide construction bidding and contracting services:
 - i. Qualifying Prospective Bidders;
 - ii. Coordinating with Prospective Bidders during Bid Process;
 - iii. Attending Pre-Bid Meeting and Bid Opening;
 - iv. Reviewing Bid Documents, Ensuring Submittal is in Accordance with the Instructions and Ensuring Price Tabulations are Correct;
 - v. Providing NBU with Recommendation of Contractor to Select;
 - vi. Providing and Maintaining Project Schedule; and
 - vii. Attending pre-construction meeting and any subsequent construction meetings.

REGULATORY TRACKING AND COMPLIANCE CONSULTING SERVICES

The Professional shall provide all labor, material, and equipment necessary to perform ongoing regulatory tracking and compliance support services designed to address the regulatory compliance issues and associated tasks described herein.

1. The Professional shall perform agency tracking for North American Electric Reliability Corporation (“NERC”), Federal Energy Regulatory Commission (“FERC”), Texas Reliability Entity (“TRE”), Electric Reliability Council of Texas (“ERCOT”), Public Utility Commission of Texas (“PUCT”), Environmental Protection Agency (“EPA”) and other relevant electric utility regulatory agencies, as follows:
 - a. attend meetings, workshops, training sessions, and provide NBU with meeting summaries, within one week of attendance as well as issuing papers/written briefs upon request and as needed;
 - b. monitor agency websites and other public information sources to track current standards and requirements along with any emerging/developing regulations; and
 - c. review emerging regulatory issues with NBU to determine jointly regulatory issues require further monitoring, and immediate action is necessary.
2. The Professional shall:
 - a. assist, prepare and submit monthly, quarterly, annual and other applicable or necessary reports to TRE, NERC and ERCOT and other agencies as needed;
 - b. assist with executing and uploading the annual self-certification information and through the TRE electronic portal(s);
 - c. coordinate NERC alert responses with NBU; and
 - d. assist and coordinate the non-standard requests for information.
3. The Professional shall develop and maintain the NERC Compliance Program (“NCP”), ERCOT Compliance Operations and Planning Compliance and Event Reporting Operating Plan (“EROP”) documents by:
 - a. maintaining and updating NBU’s NCP and relevant ERCOT compliance documentation and ensuring the annual NCP provides NBU with the overall reliability compliance roadmap including reliability compliance policies and procedures along with roles and responsibilities for reliability compliance at NBU;
 - b. maintaining and updating NBU’s EROP and ensuring the EROP provides compliance procedures related to EOP-004-4 (Event Reporting); and

- c. reviewing all mandatory NERC Transmission Owner, Transmission Planner and Distribution Provider standards and requirements and ensuring compliance with applicable (Common Industrial Protocols and Operations/Planning) standards.
- 4. The Professional shall conduct compliance review meetings and provide training to the NBU compliance team as needed. The meetings will focus on relevant compliance issues and activities and training will include HB4150 Hazard Recognition/National Electric Safety Code review and other training for NBU managers, subject matter experts, operations personnel, and other personnel on an annual or as-needed basis.

DISTRIBUTION MATERIAL SPECIFICATIONS SERVICES

The Professional shall provide all labor, material, and equipment necessary to draft and develop distribution material specifications during the FY22 and FY23 as described herein.

1. The Professional shall create written technical specifications formally detailing NBU's requirements for materials procurement. Technical specifications shall include written industry standard detail, NBU-specific requirements, and technical exhibits or diagrams as necessary.
2. The Professional shall reference industry standards to include those of the Institute of Electrical and Electronics Engineers ("IEEE"), American National Standards Institute ("ANSI"), National Electrical Manufacturers Association ("NEMA"), and Federal Energy Regulatory Commission ("FERC").
3. The Professional shall contact manufacturers directly as needed in order to determine the feasibility or cost effectiveness of specific requirements within the written specifications.
4. The Professional shall coordinate approvals with multiple NBU departments in order to draft final written specifications. The Professional shall participate in at least one (1) pre-draft meeting for this service.
5. Within 90 days of notice to proceed, the Professional shall submit the preliminary design via email to the NBU Project Manager for review and comment.
6. The NBU Project Manager shall provide review comments of the preliminary design within two (2) weeks of receipt from the Professional. The Professional shall incorporate any comments from the NBU review.
7. The Professional shall be licensed by the State of Texas to approve, sign and seal the final written specifications, and submit specifications to the NBU Project Manager in both Microsoft Word and portable document format ("PDF"). The licensed engineer shall also submit any CAD files created by the engineer to NBU in AutoCAD.
8. The Professional shall submit all electronic copies of the material specifications to the NBU Project Manager no later than July 31, 2023.
9. The Professional shall draft material specifications for the following products:
 - a. Electric Meters as described herein.
 - i. Electric Meters shall be of Type 1S, 2S, 4S, 9S, 12S, and 16S.
 - ii. Electric Meters shall have Itron (formerly Silver Springs) meter reading technology embedded, permitting NBU to read existing Itron fixed-network meter reading system.
 - iii. Electric Meters shall be pre-programmed with a default program pre-approved by NBU prior to shipment to NBU.

- iv. All Electric Meters shall be capable of registering bi-directional kWh / real-power power flow (two quadrant metering).
 - v. All 9S Electric Meters shall have the ability to meter four quadrant power flow.
 - vi. Electric Meters shall have an optical port such that NBU may reprogram if needed. Any software necessary for interfacing with the meters shall be included at no cost to NBU.
 - vii. All 200 Amp single-phase (2S & 12S) Electric Meters shall have a remote disconnect included. While not required, if a meter manufacturer has a 320 Amp disconnect, such an option is preferred to NBU and shall be included.
 - viii. If the Electric Meters have a ride-through short outage battery option, an optional adder cost shall be included for such a feature. NBU would anticipate utilizing this Electric Meter for Distribution Energy Resource (DER) interconnections.
 - ix. All 9S and 16S Electric Meters shall be 600V rated. Certain 2S meters also need to be 600V rated.
- b. Electric Meter Sockets as described herein.
- i. 200 Amp Single-Phase Electric Meter Socket, capable of receiving a single 3” PVC conduit, and a single 3” PVC conduit output.
 - ii. 320 Amp Single-Phase Electric Meter Socket, capable of receiving a single 3” PVC conduit input, and 2x 3” PVC conduits output.
 - iii. 200 Amp Three-Phase Electric Meter Socket, capable of receiving a single 4” PVC conduit, and a single 4” PVC conduit output.
 - iv. 320 Amp Three-Phase Electric Meter Socket, capable of receiving a single 4” PVC conduit input, and 2x 4” PVC conduit outputs.
- c. Distribution Transformers as described herein.
- i. NBU shall provide its existing written specification for single-phase pole mount, single-phase pad mount, and three-phase pad mount transformers.
 - ii. Updates to the specifications shall include the following:
 - 1. New secondary spade/connectors shall be required;
 - 2. Pole-mounted transformers, NBU shall revisit and possibly remove the previously required Internal Fault Detector (IFD); and
 - 3. No-Load and Load Loss evaluation parameters shall be included. NBU shall remove any 3% equivalency allowances.

- d. Overhead Pole-Mounted Crossarms as described herein.
 - i. NBU shall provide existing written specifications for tangent and dead-end composite crossarms, 8' and 10' arms.
 - ii. NBU shall revisit and update strength requirements modeled from NBU's existing inventoried crossarms.
 - iii. Latest industry testing requirements shall be included.
 - iv. NBU shall revisit and update deflection requirements modeled from NBU's existing inventoried crossarms.
- e. Four-Way pad mounted switchgear as described herein.
 - i. NBU shall provide its existing written specifications for four-way pad mounted switchgear.
 - ii. Configurations include 2x 600Way & 2x 200 Way, 3x 600 Way & 1x 200 Way, and 4x 600 Way.
 - iii. Four-way pad mounted switchgear shall include certain features including an internal ground and neutral bus bar 200 Amp continuous rated, a 6" base spacer, and a flip top lid.
 - iv. Four-way pad mounted switchgear shall include fused compartments for its 200 Amp Ways, with fuses rated as 65E or 140K as required by NBU at the time of procurement.
 - v. Included exhibits shall detail the precise positioning of 200 Amp and 600 Amp phase terminals.
- f. Primary Pull boxes
 - i. Primary pull boxes shall consist of a durable metal material and shall be durably painted. NBU shall explore and evaluate marine grade aluminum for cost-effectiveness, although mild steel remains the standard.
 - ii. 200 Amp configurations include single-phase four-way, three-phase three-way, and three-phase four-way.
 - iii. 600 Amp configuration includes three-phase four-way.

SYSTEM PLANNING CONSULTING SERVICES

The Professional shall provide all labor, material, and equipment necessary to provide system planning consulting for the system planning projects listed below during the FY22 and FY23:

1. Annual Load Disaggregation Report (“ALDR”) Load Breakdown

- a. The Professional shall collect data from NBU and prepare a disaggregation estimate for typical residential electric, residential gas, & commercial (Motor A, Motor B, Motor C, Air Conditioner, Electronic, Static). The service shall be completed prior to the submittal date for the ERCOT ALDR;

2. Photovoltaic (“PV”) Hosting Capacity

- a. The Professional shall prepare an update to the system-wide PV hosting capacity study completed in 2019. The Scope shall match the original study. Run distribution analysis to evaluate the capacity of each of NBU’s 43 feeders to accommodate solar generation without adversely impacting the feeder or requiring feeder upgrades. Two (2) installation considerations shall be evaluated: identical small-scale solar distributed along each feeder and large scale solar located at the end of each feeder. The Professional shall provide findings to NBU in a written report;

3. PV Impact Evaluation

- a. The Professional shall complete a PV impact evaluation for one (1) site-specific location. The Professional shall provide findings to NBU in a written report; and

4. Kohlenberg Road Substation Study

- a. The Professional shall prepare a distribution study to provide service options for New Braunfels Utilities (“NBU”) identified residential and commercial growth near the Henne substation. The analysis shall include the evaluation of the proposed Kohlenberg Road substation and required transmission line extension.
- b. The Professional shall complete the following specific tasks:
 - i. Conduct one to two conference calls (via Microsoft Teams) with NBU staff to review the report findings or discuss project status;
 - ii. Update the load forecast with the list of new loads provided by NBU to include the high growth areas identified by NBU;
 - iii. Update the WindMil model with the new projected loads and run load allocation analysis;
 - iv. Complete voltage drop analysis and prepare service options that will detail distribution system improvements required to serve the load growth, the timeline for completion of those improvements, and the estimated costs for those improvements;
 - v. Prepare a substation capacity analysis for all substations that will serve the load growth area;

- vi. Evaluate a substation solution to serve the load growth, the timeline for completion of that solution, and the estimated costs for that solution; and
 - vii. Deliver a written report that will include the load forecast, summary of the analyses and solutions, location maps of the impacted areas, and recommendations for implementing the proposed solutions.
- c. The Professional will not perform the following tasks:
- i. Update the WindMil existing case model;
 - ii. Prepare a system demand forecast;
 - iii. Evaluate sectionalizing device coordination; and
 - iv. Participate in site visits and in-person meetings.
- d. NBU shall provide the following:
- i. Making readily available, when requested, existing records and data pertinent to the project including substation demand forecasts, feeder interval to be utilized in the study;
 - ii. Complete list of all load growth areas to be included in the study;
 - iii. List of distribution improvements in the growth areas that are planned or under construction;
 - iv. Accurate, functioning WindMil model with appropriate billing file imported and source impedances updated;
 - v. Timely review of deliverables; and
 - vi. Personnel available for scheduled conference call meetings.

The Professional shall complete the Services by July 31, 2023.

**Exhibit B
Compensation**

NBU shall pay the Professional for the Services rendered under this Agreement, including any related expenses, in an amount not to exceed \$1,014,700.00. The following rate and pricing have been included for informational purposes only.

SUBSTATION AND TRANSMISSION DESIGN

Project Title	Compensation
TXI T1 Replacement	\$20,000
Sheriff's Posse Ring Bus Conversion	\$12,000
EC Mornhinweg Ring Bus Conversion / T2 Addition	\$50,000
Hortontown Switch 9314 Relocation	\$20,000
Weltner Road Feeder Breaker Addition	\$15,000
Storm Damage Breaker Replacement	\$45,000
Freiheit FR-22 Breaker Addition	\$55,000
Comal CO-14 Breaker Addition	\$117,500
Hueco Springs Substation Addition	\$310,000
Maintenance Testing Specification	\$40,000
Weltner Road Future PWT-2 Bus Extension	\$95,000
Loop 337 Substation Drainage Improvements	\$26,000
T-336 Str. # 36 Transmission Pole Replacement	\$55,000
Grand Total	\$860,500

REGULATORY COMPLIANCE CONSULTING

Project Title	Compensation
Regulatory Compliance Consulting	\$60,000

DISTRIBUTION MATERIAL SPECIFICATIONS

Project Title	Compensation
Distribution Material Specifications	\$30,000

SYSTEM PLANNING CONSULTING

Project Title	Compensation
ALDR Load Breakdown	\$5,000
PV Hosting Capacity - System	\$36,000
PV Impact Study – One Site	\$5,000
Kohlenberg Road Substation Study	\$18,200
Grand Total	\$64,200

The following rate and pricing schedules are for general engineering services.

2022 & 2023 Engineering Rate Schedule (for informational purposes only)

Labor Classification	Base Rate	Labor Classification	Base Rate
PRESIDENT	\$250.00	PROJECT MANAGER I	\$125.00
PRINCIPAL	\$230.00	PROJECT ANALYST IV	\$120.00
ENGINEER VIII / SENIOR CONSULTANT V	\$200.00	PROJECT ANALYST III	\$105.00
		PROJECT ANALYST II	\$90.00
ENGINEER VII / SENIOR CONSULTANT IV	\$185.00	PROJECT ANALYST I	\$75.00
		TECHNICIAN VI	\$135.00
ENGINEER VI / SENIOR CONSULTANT III	\$170.00	TECHNICIAN V	\$125.00
		TECHNICIAN IV/ DESIGNER III	\$110.00
ENGINEER V	\$155.00		
ENGINEER IV	\$140.00	TECHNICIAN III/ DESIGNER II	\$95.00
ENGINEER III	\$125.00		
ENGINEER II	\$110.00	TECHNICIAN II/ DESIGNER I	\$85.00
ENGINEER I	\$100.00		
PROJECT MANAGER V	\$180.00	TECHNICIAN I	\$75.00
PROJECT MANAGER IV	\$165.00	TECHNICIAN ASSISTANT	\$60.00
PROJECT MANAGER III/ SENIOR CONSULTANT II	\$155.00	ADMINISTRATIVE STAFF	\$65.00
		ADMINISTRATIVE ASSISTANT	\$55.00
PROJECT MANAGER II/ SENIOR CONSULTANT I	\$140.00	CLERICAL	\$50.00

PERSONNEL OVERTIME CHARGES

Hourly personnel overtime work will be invoiced at the base billing rate plus a multiplier of 1.5 times the employee hourly rate.

REIMBURSABLE EXPENSES

- Mileage Reimbursement: \$0.62/mile for cars, \$0.80/mile for trucks, \$0.90/mile for fully equipped off-road survey trucks
- The following will be billed at cost plus 12%:
 - Copying costs
 - Transportation, subsistence, and lodging

Exhibit C
Evidence of Insurance