

TRINITY RIVER AUTHORITY OF TEXAS - TOWN OF ADDISON
REGIONAL WASTEWATER SYSTEM CONTRACT

WHEREAS, there has been established in the Upper Trinity River Basin, generally in the area outlined in the Engineering Report, a Regional Wastewater System for the purpose of providing facilities to adequately receive, transport, treat, and dispose of Wastewater in such area; and

WHEREAS, the Town of Addison, in Dallas County Texas (the "Town") presently owns, operates and maintains its combined waterworks and sanitary sewer system; and

WHEREAS, the Town is desirous of discharging Wastewater into the Central Regional Wastewater System of the Trinity River Authority of Texas in accordance with this Contract in order to achieve efficiencies of costs and operation; and

WHEREAS, the Authority has heretofore entered into contracts with other parties, defined as Contracting Parties in said contracts, which permit the Authority to contract with Additional Contracting Parties, as defined in said contracts; and

WHEREAS, the Town of Addison is such an Additional Contracting Party under said contracts and will become a Contracting Party under this Contract; and

WHEREAS, the Town and Authority are authorized to make this Contract under Chapter 518, Acts of the 54th Legislature of the State of Texas, Regular Session, 1955, as amended (originally compiled as Vernon's Ann. Tex. Civ. St. Article 8280-188), Section 402.023 Local Government Code (formerly Vernon's Ann. Tex. Civ. St. Article 1109i), and/or the Regional Waste Disposal Act (codified as Chapter 30, Texas Water Code); and

WHEREAS, the parties hereto recognize these facts:

(a) That the Authority will use the payments to be received under this and similar contracts for the payment of Operation and Maintenance Expense of the Authority's System and for the payment of the principal of and the interest on its Bonds and Outstanding Bonds and for the establishment and/or maintenance of reserves and other funds as provided in the Bond Resolution and in resolutions authorizing Outstanding Bonds; and that the revenues under such contracts will be pledged to such purposes; and

(b) That contracts similar to this instrument have been executed between the Authority and the other Contracting Parties and the Authority may execute contracts with Additional Contracting Parties; and

(c) That Authority has Outstanding Bonds which were issued to finance construction of the System as it exists as of the date of execution of this Contract, to refund previous indebtedness and to provide funds to enable it to construct extensions, improvements and enlargements to the System; and

(d) That Authority will issue Bonds from time to time in the future to further extend, enlarge and improve the System; and

(e) That Town and Authority are subject to all valid rules, regulations, and requirements of the Texas Water Commission, the Environmental Protection Agency and such State and Federal laws as now exist or may be enacted during the term of this agreement;

NOW, THEREFORE, the TOWN OF ADDISON and TRINITY RIVER AUTHORITY OF TEXAS do hereby contract and agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01. DEFINITION OF TERMS. Terms and expressions as used in this Contract, unless the context clearly shows otherwise, shall have the following meanings:

(a) "Additional Contracting Party" means any party not defined as a Contracting Party with whom Authority makes a contract for receiving, transporting, treating, and disposing of Wastewater through the System.

(b) "Adjusted Annual Payment" means the Annual Payment, as adjusted due to service to Additional Contracting Parties and/or as required during or after each Fiscal Year.

(c) "Annual Payment" means the amount of money to be paid to Authority by Town as its proportionate share of the Annual Requirement.

(d) "Annual Requirement" means the total amount of money required for Authority to pay all Operation and Maintenance Expense of the System and to pay the debt

service on its Bonds and Outstanding Bonds, and to pay any amounts required to be deposited in any special or reserve funds required to be established and/or maintained by the provisions of the Bond Resolution, and in resolutions authorizing Outstanding Bonds.

(e) "Authority" means the Trinity River Authority of Texas.

(f) "Authority's System", "Regional System", "Regional Wastewater System", "Central Wastewater Treatment System", "Central Regional Wastewater System", or "System" means all of Authority's facilities for receiving, transporting, treating, and disposing of Wastewater generally in the area described in the first preamble hereto, together with any improvements, enlargements, or additions to said facilities and any extensions or replacements of said facilities constructed or otherwise incorporated into said facilities in the future. Said terms shall include only those facilities which are used for, constructed or acquired, or the use of which is arranged for, by the Authority to afford service to the Contracting Parties and Additional Contracting Parties which can economically and efficiently be served by said System. Said terms do not include Authority's facilities located within the boundaries of the Dallas-Fort Worth Regional Airport and defined as the "System" in the contract between Authority and the Dallas-Fort Worth Regional Airport Board dated July 16, 1971, as amended, Local Wastewater Facilities, any facilities constructed or acquired with proceeds of Special Project Bonds, as defined in the Bond Resolution, or obtained by Authority acting as a signatory to the State of Texas Water Pollution Control Compact, or any of the facilities designated as Authority's Ten Mile Creek System, or Walker-Calloway Project.

(g) "BOD" (denoting Biochemical Oxygen Demand) means the quantity of oxygen utilized in the biochemical oxidation of organic matter under standard laboratory procedure in five (5) days at 20° C., expressed in milligrams per liter (mg/l).

(h) "Bond Resolution" means any resolution of the Board of Directors of the Authority authorizing the issuance of Bonds or Outstanding Bonds and providing for their security and payment, as such resolution(s) may be amended from time to time as therein permitted.

(i) "Bonds" means any bonds to be issued after the date of this Contract by the Authority pursuant to this

Contract and other Contracts with the Contracting Parties and Additional Contracting Parties for the acquisition, construction, expansion, improvement, or completion of the System, whether one or more issues, or any bonds issued to refund same, or to refund such refunding bonds.

(j) "Town" means the Town of Addison, in Dallas County, Texas.

(k) "Contracting Party" or "Contracting Parties" means one or more of the following: the Cities of Arlington, Bedford, Carrollton, Cedar Hill, Colleyville, Coppell, Dallas, Duncanville, Euless, Farmers Branch, Fort Worth, Grand Prairie, Grapevine, Hurst, Irving, Keller, Mansfield, North Richland Hills, and Southlake, Texas, the Town, and the Dallas/Fort Worth Regional Airport Board.

(l) "Daily Composite Quality" means the concentrations of a sample consisting of a minimum of three grab samples of effluent collected at regular intervals over a normal operating day and combined proportioned to flow, or a sample continuously collected proportional to flow over a normal operating day.

(m) "Domestic Wastewater" (sanitary sewage) means liquid and water-carried waste discharged from sanitary conveniences of dwellings, business buildings, institutions and the like, including Properly Shredded Garbage.

(n) "Engineering Report" means a report of Forrest and Cotton, Inc., Consulting Engineers, entitled Regional Wastewater System, dated December, 1971, as such report has been and may be amended, modified, and changed by Authority or at its direction at any time prior to the execution of construction contracts for improvements, additions, and enlargements to the System or as modified and changed by change orders issued after execution of such construction contracts.

(o) "Fiscal Year" means the twelve (12) month period beginning December 1 of each year and applies only to Authority (i.e., Fiscal Year 1985 is the twelve (12) month period ending November 30, 1985), or such other twelve (12) month period as may be established in the future to constitute Authority's Fiscal Year.

(p) "Garbage" means solid wastes from the preparation, cooking and dispensing of food, and from handling, storage, and sale of produce.

(q) "Grab Sample Quality" means the concentration of an individual sample of effluent collected in less than 15 minutes.

(r) "Grease" means fats, waxes, oils, and other similar materials in Wastewater, as determined by procedures specified in the latest edition of Standard Methods of Examination of Water and Wastewater, published by American Public Health Association, Inc.

(s) "Industrial User (IU)" means any person, including but not limited to, any individual firm, partnership, corporation, association, or any other legal entity, who discharges or desires to discharge industrial wastes to the Central Regional Wastewater System.

(t) "Industrial Wastes" means the liquid wastes from industrial processes as distinct from wastes in Domestic Wastewater.

(u) "Infiltration Water" means water that has migrated from the ground into the System.

(v) "Local Wastewater Facilities" means the facilities of Contracting Parties and Additional Contracting Parties for transportation of Wastewater to Points of Entry and any facilities used exclusively or primarily for the pre-treatment of Industrial Wastes.

(w) "Month" means calendar month.

(x) "Operation and Maintenance Expense" means all costs of operation and maintenance of the Authority's System including, but not limited to, repairs and replacements for which no special fund is created in the Bond Resolution, the cost of utilities, supervision, engineering, accounting, auditing, legal services, and any other supplies, services, administrative costs and equipment necessary for proper operation and maintenance of the Authority's System, and payments made by Authority in satisfaction of judgments resulting from claims not covered by Authority's insurance or not paid by one particular Contracting Party or Additional Contracting Party arising in connection with the operation and maintenance of the System. The term also includes the fees of the bank or banks where the Outstanding Bonds and the Bonds are payable. Depreciation shall not be considered an item of Operation and Maintenance Expense.

(y) "Outstanding Bonds" means all Bonds issued by Authority prior to the date of this Contract to provide funds for construction, enlargement, extension, and improvement of the System which are outstanding on the date of this Contract.

(z) "pH" means the logarithm of the reciprocal of the hydrogen ion concentration. The concentration is the weight of the hydrogen ions, in grams, per liter of solution.

(aa) "Point of Entry" means the point at which Wastewater enters Authority's System.

(bb) "Properly Shredded Garbage" means Garbage that has been shredded to such degree that all particles will be carried freely under the flow conditions normally prevailing in public sewers, with no particle greater than one-half (1/2) inch in any dimension.

(cc) "POTW" means Publicly Owned Treatment Works as defined in 40 CFR 403.

(dd) "Significant Industrial User (SIU)" means any industrial user who is connected or desires to connect to the Town's municipal wastewater collection system and meets at least one of the following criteria:

(i) Average industrial wastewater discharge rate greater than 50,000 gpd.

(ii) BOD and/or suspended solids concentrations in industrial wastewater greater than 250 mg/l.

(iii) Industrial category regulated by National Pretreatment Standards as promulgated by the United States Environmental Protection Agency.

(iv) Has in its Wastewater discharges significant amounts of toxic pollutants as defined pursuant to Section 3.07 of the Clean Water Act, as amended, 33 V.S.C. 1251, et seq.

(ee) "Service Date" means the date upon which the Town first discharges Wastewater into the Wastewater Tunnel, hereinafter defined, after it is completed and placed into service; provided that the Town shall not make any such initial discharge unless, at least 30 days prior thereto, the Town and the City of Farmers Branch shall have given written notice and assurance to the Authority

that the Wastewater Tunnel will be completed on a specified date which is not less than 30 days after the date such written notice and assurance is received by the Authority. The Service date is now estimated to be during October, 1993.

(ff) "SS" (denoting Suspended Solids) means solids removable by laboratory filtering expressed in milligrams per liter (mg/l) as determined by procedures specified in the latest edition of Standard Methods of Examination of Water and Wastewater, published by American Public Health Association, Inc.

(gg) "Total Toxic Organics" means the sum of all detected concentrations greater than 10 micrograms per liter for all organic compounds classified as priority pollutants by the United States Environmental Protection Agency.

(hh) "Wastewater" (sewage) means Domestic Wastewater and Industrial Waste, together with such Infiltration Water that may be present.

(ii) "Wastewater Tunnel" means the Farmers Branch-Addison Wastewater Tunnel Project described in a report entitled "Preliminary Engineering Report for Sanitary Sewer for City of Farmers Branch/Town of Addison" dated July, 1989, by Consoer, Townsend & Associates, Inc., Houston, Texas, as such report may be supplemented or amended. The Wastewater Tunnel is planned to be constructed jointly by, or for the joint benefit of, the City of Farmers Branch and the Town, and it is not to be a part of the Authority's System. However, it will be designed and constructed to transport Wastewater from the Town and the City of Farmers Branch into the Authority's System for treatment, and to provide such metering equipment as is necessary to measure the separate Wastewater flows from the Town and the City of Farmers Branch, respectively, discharged from the Wastewater Tunnel into the Authority's System.

ARTICLE II

CONSTRUCTION OF FACILITIES BY AUTHORITY

Section 2.01. FACILITIES. In order to provide services for receiving, transporting, treating, and disposing of Wastewater for Town and others, Authority will design and construct extensions, improvements, and enlargements to its System, as

described in the Engineering Report, and will own, operate, maintain, and from time to time expand the System.

ARTICLE III

DISCHARGE OF WASTEWATER AND METERING

Section 3.01. From and after the Service Date, as defined above, and subject to the terms of this Contract, Town shall have the right and the responsibility to discharge into the Wastewater Tunnel, as defined above, for transportation into the System, and Authority agrees to accept, from the Wastewater Tunnel and into the System, all Wastewater which originates from within that portion of the boundaries of the Town delineated in Exhibit A attached to this Contract (the "Service Area"); provided that the Service Area may be enlarged by mutual agreement of the parties hereto.

Section 3.02. DISCHARGE. In consideration of the payments to be made under this Contract, Town shall have the right to discharge the aforesaid Wastewater originating from the Service Area, subject to the requirements for quantity and quality as set forth in Article IV.

Section 3.03. POINT OF ENTRY. Town shall discharge Wastewater originating from the Service Area into the Wastewater Tunnel and thence into the Authority's System at a mutually agreeable point which shall be designated by the parties hereto as a Point of Entry. Additional Points of Entry may be mutually agreed upon by the parties hereto. The Town covenants that it will discharge all Wastewater originating from the Service Area into each designated Point of Entry for the Town during the term of this Contract. If and when the Service Area is enlarged the Town shall discharge all Wastewater generated in such enlarged area into Authority's System, at the appropriate Point of Entry, during the term of this Contract.

Section 3.04. CONVEYANCE TO POINT OF ENTRY. It shall be the sole responsibility of Town, including any liability incurred in connection therewith, to convey such Wastewater to the Point or Points of Entry.

Section 3.05. QUANTITY AT POINT OF ENTRY. (a) The quantity of Wastewater conveyed to the Point or Points of Entry by the Town shall be metered at a location or at locations mutually agreed to by the parties hereto, which may or may not be at a Point of Entry, and the total annual contributing flow of Wastewater received during any Fiscal Year shall be used to

determine Town's Annual Payment as provided in Article V, as well as the surcharge as provided in Section 5.03(e).

(b) At each Point of Entry into the Authority's System, Town may deliver Wastewater at a Maximum Discharge Rate, defined as a rate in MGD, which, if continued over a period of twenty-four (24) hours would not exceed 3.50 times Town's estimated annual contributing flow expressed as a daily average in MGD.

Section 3.06. LIABILITY FOR DAMAGES AND RESPONSIBILITY FOR TREATMENT AND DISPOSAL OF WASTEWATER. Liability for damages arising from the reception, transportation, delivery, and disposal of all Wastewater discharged hereunder and originating from Town shall remain in Town to its discharge from the Wastewater Tunnel and into the System at the designated Point of Entry, and upon passing into the System liability for such damages shall pass to Authority. As between the parties, each party hereto agrees to save and hold the other party harmless from all claims, demands, and causes of action which may be asserted by anyone on account of the reception, transportation, delivery, and disposal while the aforesaid liability for damage is in such party. This covenant is not made for the benefit of any third party. Authority takes the responsibility as between the parties hereto for the proper reception, transportation, treatment, and disposal of all such Wastewater received by it from Town upon its discharge from the Wastewater Tunnel into the System. However, the Authority shall have no duty or responsibility for the operation or maintenance of the Wastewater Tunnel under this Contract, and it shall be the duty of the Town to assure that proper facilities and arrangements are provided to allow proper transfer of its Wastewater from the Wastewater Tunnel into the System. The Authority's responsibilities and duties for receiving and treating the Town's Wastewater hereunder are effective only upon proper discharge thereof into the Authority's System.

Section 3.07. METERING. Town shall furnish and install, at its own expense, at each Point of Entry and/or at such other location or locations designated by the Authority required to measure properly Town's contributing flow into the System, the necessary equipment and devices of standard type, an easement encompassing each meter station, and a power and access easement to each meter station, as required by the Authority, for measuring properly all Wastewater to be discharged under this agreement. Such meters and other equipment shall be the property of the Authority, and the Authority shall own, operate, and maintain these metering facilities. Town shall have access to such metering equipment at all reasonable times for inspection and examination, but the reading, calibration, and

adjustment thereof shall be done only by employees or agents of Authority in the presence of a representative of the Town if requested by the Town. All readings of meters will be entered upon proper books of record maintained by the Authority. Upon written request Town may have access to said record books during reasonable business hours.

Not more than three times in each year of operation, Authority shall calibrate its meters, if requested in writing by Town to do so, in the presence of a representative of Town, and the parties shall jointly observe any adjustments which are made to the meters in case any adjustment is found to be necessary.

If, for any reason, any meters are out of service or out of repair, or if, upon any test, the percentage of inaccuracy of any meter is found to be in excess of five (5%) per cent, registration thereof shall be corrected for a period of time extending back to the time when such inaccuracy began, if such time is ascertainable, and if such time is not ascertainable, then for a period extending back one-half (1/2) of the time elapsed since the date of the last calibration, but in no event further back than a period of six (6) months.

Town may, at its option and its own expense, install and operate a check meter to check each meter installed by Authority, but the measurement for the purpose of this agreement shall be solely by Authority's meters, except in the cases hereinbelow in this Section specifically provided to the contrary. All such check meters shall be of standard make and shall be subject at all reasonable times to inspection and examination by any employee or agent of Authority, but the reading, calibration, and adjustment thereof shall be made only by Town, except during any period when a check meter may be used under specific written consent by Authority for measuring the amount of Wastewater delivered into the System, in which case the reading, calibration, and adjustment thereof shall be made by Authority with like effect as if such check meter or meters had been furnished or installed by Authority.

Section 3.08. UNIT OF MEASUREMENT. Wastewater delivered hereunder shall be measured in gallons, U. S. Standard Liquid Measure.

ARTICLE IV

QUALITY AND TESTING

Section 4.01. GENERAL. Town agrees to limit discharge into Authority's System to wastes defined herein as admissible

discharges, and to prohibit entry into the System of any wastes that have the characteristics of prohibitive discharges, also described herein. All testing of the quality of Town's Wastewater shall be conducted at the metering location or locations established as provided for herein.

Section 4.02. ADMISSIBLE DISCHARGES. Wastes discharged into the System shall consist only of Wastewater, Properly Shredded Garbage, and other wastes which the System is capable of handling, so that:

(a) effluent from the System meets the current legal standards of the Texas Water Commission or of any governmental body having legal authority to set standards for such effluents; and

(b) the System is not damaged to the extent to cause unnecessary repairs or replacements resulting in increased Operation and Maintenance Expense.

Section 4.03. PROHIBITIVE DISCHARGES. (a) To enable the highest degree of treatment in the most economical manner possible, and to comply with Federal and State regulations, certain solids, liquids and gases are hereby prohibited from entering Authority's System in excess of standards as set by said Federal and State regulations. The prohibitive discharges listed below shall apply at each of the Town's meter locations and at each of its Points of Entry.

Federal and state regulatory agencies periodically modify standards on prohibitive discharges; therefore, revision to, additions to, or deletions from the items listed in this section will become necessary to comply with these latest standards. It is the intention of this Contract that prohibitive discharge requirements be reviewed periodically by Authority and revised in accordance with the latest standards of any federal or state agency having regulatory powers. Any required revisions shall be made and written notice thereof given to the Town. Town shall be responsible for integrating such changes into the local industrial waste ordinance and notifying all affected users of the change within ninety (90) days following written notice to the Town of such change.

(b) The following information shall govern prohibitive discharges:

(i) Town shall not discharge any of the following into the System at any of the Town's meter locations or at any of its Points of Entry, which discharge originates from Town: storm water, ground water, roof run-off, sub-surface drainage or water originating from down

spouts, yard drains, yard fountain and ponds, or lawn sprays. In cases where, and in the opinion of Authority, the character of the Wastewater from any manufacturer or industrial plant, building, or other premises is such that it will damage the System, or cannot be treated satisfactorily in the System, Town shall prevent it from entering the System until the character of same is satisfactory to Authority.

(c) Town shall not discharge any of the following substances, materials, waters, or wastes into the System:

(i) Any liquid having a temperature higher than 150 degrees Fahrenheit (65 degrees Centigrade);

(ii) Any water or wastes which contain wax, grease, oil, plastic or other substance that will solidify, or become discernibly viscous at temperatures between 32 degrees to 150 degrees Fahrenheit;

(iii) Any solids, slurries or viscous substances of such character as to be capable of causing obstruction to the flow in sewers, or other interference with the proper operation of the Wastewater System, such as ashes,

cinders, sand, mud, straw, shavings, metal, glass, rags, feathers, tar, plastics, wood, whole blood, paunch manure, hair and fleshlings, entrails, lime slurry, lime residues, slops, chemical residues, paint residues, or bulk solids;

(iv) Any solids, liquids, or gases which by themselves or by interaction with other substances may cause fire or explosion hazards, or in any other way be injurious to persons, property, or the operators of the Wastewater System;

(v) Any garbage that has not been properly comminuted or shredded;

(vi) Any noxious or malodorous substance, which either singly or by interaction with other substances is capable of causing objectionable odors, or hazard to life, or forms solids that will cause obstructions to flow, or creates any other condition deleterious to structures or treatment processes, or requires unusual provisions, alteration, or expense to handle such substance;

(vii) Any waters or wastes having a pH lower than 6.0, or higher than 10.0 or having any corrosive property

capable of causing damage or hazards to structures, equipment, or personnel of the Wastewater System

(viii) Any wastes or waters containing suspended or dissolved solids of such character and quantity that unusual attention or expense is required to handle such materials in the Wastewater System;

(ix) Any waters or wastes containing a toxic or poisonous substance, such as plating or heat-treating wastes, in sufficient quantity to injure or interfere with any wastewater treatment process, to constitute a hazard to humans or animals, or to create any hazard in the receiving waters of the Wastewater Treatment Plant;

(x) Any wastes or waters exceeding the concentrations listed below:

<u>POLLUTANT</u>	<u>DAILY COMPOSITE</u> <u>(mg/1)</u>	<u>GRAB SAMPLE</u> <u>(mg/1)</u>
Arsenic	0.1	0.2
Barium	2.0	4.0
Boron	-	1.0
Cadmium	0.1	0.25
Chromium (Total)	3.5	7.0
Copper	2.5	5.0
Cyanides	-	1.0
Hydrogen Sulfide	1.0	1.0
Lead	2.0	4.0
Manganese	3.5	7.5
Mercury	0.008	0.008
Nickel	1.5	3.0
Selenium	0.05	0.1
Silver	0.25	0.5
Zinc	2.5	5.0
Total Toxic Organics (TTO)	-	2.0

(d) Town shall not discharge into the System waters or wastes containing:

(i) Free or emulsified oil and grease exceeding, on analysis, an average of 100 mg/1 (834 pounds per million gallons) of either, or both, or combinations of free or emulsified oil and grease, if, in the opinion of Authority, it appears probable that such wastes:

1. Can deposit grease or oil in the sewer lines in such manner to clog the sewers;

2. Can overload skimming and grease handling equipment;
3. Are not amenable to bacterial action or other treatment processes then being employed by Authority and will, therefore, pass to the receiving waters without being affected by normal wastewater treatment processes; or,
4. Can have deleterious effect on the treatment process due to excessive quantities.

(ii) Any radioactive wastes greater than the allowable releases as specified by current United States Bureau of Standards handbooks dealing with the handling of and release of radioactivity.

(iii) Cyanides or cyanogen compounds capable of liberating hydrocyanic gas on acidification in excess of 0.2 mg/l by weight (as CN).

(iv) Materials which exert or cause:

1. Unusual concentrations of solids or compounds; as, for example, in total SS of inert nature (such as Fuller's Earth) and/or in total dissolved solids (such as sodium chloride or sodium sulfate);
2. Excessive discoloration;
3. Unusual BOD or immediate oxygen demand.

Section 4.04. TESTING QUALITY. To determine quality of Wastewater, Authority will collect twenty-four (24) hour composite samples of Wastewater at each of the Town's metering locations and at each of its Points of Entry, and cause same to be analyzed in accordance with testing procedures as set forth in the latest edition of Standard Methods of Examination of Water and Wastewater, published by American Public Health Association, Inc. Composite samples will normally be taken once a month, or at more frequent intervals if necessary to determine Wastewater quality. Such Wastewater shall not exceed the limits of concentration specified for Normal Wastewater as follows:

Normal Wastewater Concentration

BOD 250 mg/1
SS 250 mg/1
pH, not less than 6 nor greater than 10
Hydrogen Sulfide 1.0 mg/1

Should the analysis disclose concentrations higher than those listed, Authority will at once inform Town of such disqualification. It shall be the obligation of Town to require the offending discharger of said highly concentrated materials to undertake remedial measures to bring discharge concentrations within acceptable limits. The Authority will cooperate with Town in reaching a satisfactory solution but will not undertake to specify the measures that will be employed to bring those over-strength discharge concentrations within acceptable limits. In some cases of over-strength Industrial Waste, the industry discharging the over-strength waste, and Town, may be desirous, and Authority may be agreeable to negotiate terms under which Authority will accept and treat the over-strength wastes, but Authority makes no commitment to perform such service.

Section 4.05. ADMISSION OF DISCHARGES CONTAINING CONCENTRATIONS OF BOD AND/OR SS GREATER THAN THOSE PRESENT IN NORMAL WASTEWATER. If Wastewater at any of the Town's metering locations or at any of its Points of Entry, which discharge originates from Town, contains concentrations of BOD greater than 250 mg/1 and/or SS greater than 250 mg/1, approval must be obtained from Authority prior to discharge of the Wastewater into the System. Charges made to Town will include the Basic Charge as outlined in Article V of this Contract, plus a surcharge for excess BOD and/or SS calculated in accordance with the following formula:

$$SC = (Q) (8.34) [a (BOD-250) + b (SS-250)] \text{ where:}$$

SC = surcharge based on excessive concentrations of BOD and/or SS (dollars per month)

Q = flow (million gallons per month)

a = unit cost of treatment, chargeable to BOD (dollars per pound of BOD introduced to System)

b = unit cost of treatment, chargeable to SS (dollars per pound of SS introduced to System).

The value of BOD and/or SS concentrations in this calculation will be the average of values determined by testing procedures as defined in Section 4.04, TESTING QUALITY, except

for the following condition: Observation of unusually high values of BOD and/or SS in samples collected at the Wastewater treatment plant or at any of the Town's metering locations or at any of its Points of Entry will prompt an intensive sampling and testing program to determine the Contracting Party responsible for these high values. Once the source of high concentration of BOD and/or SS has been determined, the responsible Contracting Party will be notified and samples will be collected and tested for four (4) continuous days. The average of the BOD and SS values measured during these four (4) days will be considered as representative of the Wastewater being discharged to the System and will serve as the basis of the surcharge during the month of observation. Any surcharge for overstrength Wastewater which Authority has agreed to accept shall not be allocated among Contracting Parties discharging normal Wastewater, but shall be applied only to the Contracting Party discharging such overstrength Wastewater.

At any time that Authority determines that any service hereunder should be suspended because Town's Wastewater does not meet standards herein established or that a surcharge will be applied, Authority shall furnish to Town the data and expert opinion on which such determination was based prior to cessation of service or application of a surcharge.

Section 4.06. REPORTING REQUIREMENTS AND INDUSTRIAL WASTE. (a) Reports. Approximately thirty days after the end of each Authority Fiscal Year the Town shall furnish in writing to the Authority the following information:

(1) The number of active domestic sewer connections tributary to the Authority's System and which will be served by the System;

(2) The number of commercial and business sewer connections to be served by the System;

(3) The number of industrial connections to be served by the System, with name and location of each.

The purpose of this provision is to permit the Authority to accumulate statistical data which will enable it to render better service and facilitate plans for betterment and future facilities expansion.

(b) Industrial Waste. The effects of certain types of Industrial Waste upon sewers and sewage treatment processes are such as to require that careful consideration be made of each industrial connection. This is a matter of concern both to the Authority and to the Town. Accordingly, the Town shall

regulate the discharge of Industrial Waste into its sewer system, and will authorize discharge of Industrial Waste to its sewers subject to the general provision that no harm will result from such discharge and subject to the filing by applicant industry of a statement, copy of which shall be forwarded to the Authority, containing the following information:

- (1) Name and address of applicant;
- (2) Type of industry;
- (3) Quantity of plant waste;
- (4) Typical analysis of the waste;
- (5) Type of pre-treatment proposed.

To facilitate inspection and control of Industrial Waste, the Town will require industries to install an inspection manhole which shall be located so as to be accessible at all times to inspectors of the Town. If inspection indicates that damage might result from the discharge the permit shall be revoked unless and until the industry promptly establishes acceptable remedial measures. At regular intervals the Authority will collect twenty-four hours composite samples of all Wastewater at each Point of Entry and cause same to be analyzed by American Public Health Association Standard Methods. Such Wastewater shall not exceed the limits of concentration specified in Article IV of this Contract. Should the analysis disclose concentrations higher than those stipulated the Authority immediately will inform the Town of such disqualification. It shall be the obligation of the Town to require the offending originator of said highly concentrated materials to immediately initiate and undertake remedial pre-treatment or other legal means before discharge into the Town's sewers.

(c) Ordinances. The Town agrees that it has enacted or will enact ordinances as necessary to include the following provisions:

(1) For each existing and future SIU, the Town shall require said user to complete and submit a permit application containing that information specified in the sample application form which is attached hereto as Exhibit 1 immediately following this Article IV. The Authority shall be provided a copy of the permit application within thirty days after receipt by the Town. The Authority shall provide comments on said application within thirty days of receipt and return comments to the Town. Failure to comment shall be construed as concurrence by the Authority.

After approval of the Permit Application by both the Town and the Authority, the Town shall, with mutual approval by the Town and the Authority, issue a permit to discharge similar in content and form as the permit shown on the form which is attached hereto as Exhibit 2 immediately following Exhibit 1 at the end of this Article IV. Said permit to discharge shall be required of all SIUs before said user will be allowed to discharge industrial wastes into the sewage system. A copy of the permit to discharge shall be forwarded to the Authority.

(2) The Town shall require significant industrial users to comply with applicable Federal Categorical Pretreatment Standards as well as any applicable state and local standards.

(3) The Town shall maintain certain information contained in permit applications as confidential at SIU's request.

(4) The Town shall disallow dilution as a means of reducing pollutant concentrations in an SIU's waste stream.

(5) The Town shall be authorized to enter SIU premises at any time for independent monitoring, inspection, or review of applicable records to determine compliance.

(6) The Town shall develop and require adherence to SIU compliance schedules.

(7) The Town shall require industrial monitoring and reporting.

(8) The Town shall choose or approve laboratory to analyze industrial wastes.

(9) The Town shall require SIU's to pay applicable fees for:

- (i) sampling and testing to determine compliance
- (ii) disconnection/reconnection of service resulting from noncompliance
- (iii) abnormal strength wastes
- (iv) additional costs incurred by Town or POTW in transporting or treating wastes
- (v) filing, revision, or renewal of Permit Application

(10) The Town shall provide public notification for instances of violation.

(11) The Town shall deny/revoke permit, disallow/disconnect service, assess civil or criminal penalties, and seek other available legal and equitable remedies against SIU for:

- (i) discharge to sewerage system resulting in violation of POTW's discharge permit conditions
- (ii) hazard to health or life of POTW personnel or users of receiving waters
- (iii) violation of any applicable ordinance or regulation
- (iv) false information transmitted to approving authority through Permit Application, monitoring reports, etc.

The Town shall furnish to the Authority all documents and records, in addition to those outlined herein, as necessary to demonstrate compliance by all industries.

EXHIBIT 1
PERMIT APPLICATION

CITY OF _____

Date:

To: Significant Industrial Users

From:

Subject: Application for a Permit to Discharge Industrial Wastewaters to the Sanitary Sewer System.

Ordinance number _____ has been adopted for the purpose of regulating the quality of industrial wastewaters contributed to the sanitary sewer. The objectives of the Ordinance are to prevent damage or obstruction to the sewer, to avoid interference with the regional wastewater treatment plant operated by the Trinity River Authority, and to comply with state and federal regulations regarding pretreatment of industrial wastes.

Significant industrial users must obtain a Permit to discharge industrial wastewaters to the sewer. The Permit authorizes your discharge and sets forth criteria for discharge quality and requirements for reporting.

The attached application for a Permit must be completed and returned to the mailing address shown below within 180 days. A fee of _____ must accompany this Application. The City and the Trinity River Authority will review your application. Additional information such as evidence of treatability may be requested from either entity. The City will return a Permit to you upon approval of your application and will either approve or deny said application within 90 days of its receipt by City.

Please address questions concerning the Industrial Wastewater Ordinance Permit to:

EXHIBIT 1 (CONT'D)

APPLICATION FOR A PERMIT TO DISCHARGE
INDUSTRIAL WASTEWATER TO THE SANITARY SEWER

Note to Signing Official: Please complete and return this application within 180 days. Signing officials must have authorization to provide information on behalf of the company. Information considered confidential by your company should be clearly marked so that this information can be maintained in separate, limited access files.

SECTION A. GENERAL INFORMATION

1. Company name _____
2. Mailing address _____
3. Facility address _____ Zip Code _____
(address where sewer service is requested) Telephone Number _____
4. Is company currently in operation at facility address? YES ___ NO ___

SECTION B. PRODUCTS OR SERVICE INFORMATION

1. Brief description of manufacturing processes or service activity at the facility including rate of production, if applicable:

2. Principal raw materials, including chemicals, catalysts, solvents, etc., used in any phase of the manufacturing process or service activity: _____

3. Number of employees _____. Hours per day of operation _____.
Days per week of operation _____.
4. Standard Industrial Code Number _____ (4 digits).
5. List other environmental control permits held at this time. _____

6. Attach a property plat prepared by an engineer or architect showing locations of water and sewer connections, manholes, traps, etc. Also indicate the locations of an acceptable monitoring station for collecting samples and measuring flows of the industrial wastewater streams prior to discharge to the sanitary sewer.

EXHIBIT 1 (CONT'D)

SECTION C. WASTEWATER DISCHARGE INFORMATION

1. Indicate the types and quantity of industrial wastewater by completing the table below:

	Check Appropriate Box For Type Of Wastewater	Industrial Flow Average Daily/ Maximum Daily	Flow Metered (check if yes)	Flow Estimated (check if yes)	Flow Proposed For New Industry (check if yes)
(a) Process Wastewater;	Continuous Discharge	/			
	Batch Discharge	/			
(b) Boiler Blowdown		/			
(c) Cooling Water Release		/			
(d) Plant and Equipment Washdown		/			
(e) Other		/			
(specify)					

For each wastewater stream attach a schematic of water flow that depicts the water source, industrial units where water is used and pretreatment units.

2. Wastewater Quality. The applicant must present information on the quality of industrial wastewaters. Samples collected from wastewater streams should be representative of daily operations. Analytical procedures should follow those in Standard Methods for the Examination of Water and Wastewater, APHA-AWWA-WPCF, 14th Edition, 1975.

EXHIBIT 1 (CONT'D)

(a) Conventional Pollutants - In the spaces below, indicate the average and maximum value of each constituent in the discharge.

Wastewater Constituent	Maximum Value	Average Value
Biochemical Oxygen Demand (5 day)	_____	_____ mg/l
Total Suspended Solids	_____	_____ mg/l
pH	_____	_____ pH units
Temperature	_____	_____ °F

EXHIBIT 1 (CONT'D)

3. Is your discharge subject to national Pretreatment Standards established under 40 CFR, Chapter I, Subchapter N.

YES _____ NO _____

The above question must be answered with certainty. For additional information regarding National Pretreatment Standards, applicant should contact Region VI of the Environmental Protection Agency at (214) 767-2630 or the Trinity River Authority, Northern Region Office at (817) 467-4223.

4. For existing significant industrial users, if the answer to the above question is yes, please indicate the applicable pretreatment standards in the space provided below and attach a statement reviewed by applicant's authorized representative and certified by a qualified professional, indicating whether applicable pretreatment standards are being met on a consistent basis. If applicable pretreatment standards are not being met on a consistent basis, certified statement should indicate the following:
- a. Whether additional operation and maintenance (O&M) and/or additional pretreatment is required for applicant to meet pretreatment standards; and
 - b. The shortest schedule by which applicant will provide additional O&M or pretreatment. The completion date in this schedule must not be later than compliance date established for applicable pretreatment standard.

Applicable Standards

Constituent

Limit(s)

EXHIBIT 1 (CONT'D)

5. For new significant industrial users describe the pretreatment processes proposed for your facility to meet the requirements listed in item 4. (Examples: neutralization, materials recovery, grease traps, sand traps, etc.)

I the undersigned applicant, being the authorized representative of the herein named company, do hereby request a Permit to continue to use or to establish an industrial sewer connection at the location indicated herein and do agree to comply with provisions of City Ordinance _____.

Signature of Applicant _____ Date _____

Name of Signee _____
(Please Print)

Name and phone number of person to contact regarding Permit information.

CORPORATE ACKNOWLEDGMENT

THE STATE OF TEXAS |

COUNTY OF _____ |

Before me, the undersigned authority, on this day personally appeared

_____ of _____,

a corporation, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for purposes and considerations therein expressed, in the capacity therein stated and as the act and deed of said corporation.

Given under my hand and seal of office on this _____ day of _____, 19____.

Notary Public in and for _____
County, Texas

My Commission Expires: _____

EXHIBIT 2
PERMIT FORM

CITY OF _____

PERMIT TO DISCHARGE INDUSTRIAL WASTEWATERS
TO THE SANITARY SEWER

Name of Industry (Permittee) _____
Address _____
(location of sewer service)

Permit No. _____ Account No. _____

The above named Permittee is authorized to discharge industrial wastewaters to the sanitary sewerage system according to the provisions of this Permit. Authorization is granted for a period beginning _____ until _____.

Authorized Representative Date
City of _____

EXHIBIT 2 (CONT'D)

A. EFFLUENT LIMITATIONS

The quality of permittee's industrial discharges will be limited by the provisions of City Ordinance No. _____ and the National Pretreatment Regulations which include the following numerical limitations:

Pollutant or Pollutant Property	STANDARDS	
	Maximum Allowable Concentration, mg/l	Average Concentration and/or Load mg/l or lb/day
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

The discharge of any pollutant at a level in excess of that identified and authorized by this permit, shall constitute a violation of the terms and conditions of this permit. Such a violation may result in permit revocation and/or the imposition of civil and/or criminal penalties.

B. MONITORING AND REPORTING

1. Permittee shall collect representative samples of the wastewater discharge and analyze these waters for the pollutants indicated in Section A. Where feasible, samples shall be obtained using flow proportional composite sampling techniques specified in the applicable Categorical Pretreatment Standard. Where composite sampling is not feasible, grab sampling is acceptable. The permittee shall collect and analyze _____ sample(s) during a _____ period.
(number) (interval)
2. Permittee shall summarize monitoring information on a copy of the attached "Significant Industrial User Self Monitoring Report" form. Duplicates of this form shall be submitted during the months of _____ and _____ of each year to:

City Engineer
City of _____

with copy to:

Pretreatment Program Manager
Trinity River Authority of Texas
P. O. Box 240
Arlington, Texas 76010

EXHIBIT 2 (CONT'D)

3. Failure to submit any report or information required by this permit shall constitute a violation.
4. Any changes in the characteristics of the industrial discharges as a result of modifications to the industrial processes must be reported. Modifications to the permit may then be made to reflect any necessary changes in process conditions, including any necessary effluent limitations for any pollutants not identified and limited herein. This permit is not transferrable to companies or processes other than those to which it is originally issued.
5. Permittee shall immediately notify the treatment plant manager at (214) 225-3462 in the event of a slug loading of pollutants as a result of an operational failure of pretreatment facilities or accidental spills.
6. Permittee must maintain records of all information resulting from any monitoring activities for a minimum period of 3 years. Such records will include for all samples:
 - (i) The date, exact place, method, and time of sampling and the names of the person or persons taking the samples;
 - (ii) The dates the analyses were performed;
 - (iii) Who performed the analyses;
 - (iv) The analytical techniques/methods used; and
 - (v) The results of such analyses.

Records shall be made available for inspection and copying by the city, or its representatives.

7. Compliance Schedule:

Activity

Date

8. Permittee is advised that he may need to comply with additional regulations listed as follows:

ARTICLE V

Section 5.01. FINANCING. Authority has heretofore issued the Outstanding Bonds and will pay for the cost of construction of the improvements specified and to be specified in the Engineering Report, and will issue its Bonds, from time to time, in amounts necessary which, together with other available funds, will be sufficient to accomplish such construction.

Section 5.02. ANNUAL REQUIREMENT. It is acknowledged and agreed that payments to be made under this Contract and similar contracts with other Contracting Parties and Additional Contracting Parties will be the only source available to Authority to provide the Annual Requirement; and that the Authority has a statutory duty to establish and from time to time to revise the charges for services to be rendered and made available to Town hereunder so that the Annual Requirement shall at all times be not less than an amount sufficient to pay or provide for the payment of:

(a) The net amount paid or payable for all Operation and Maintenance Expenses;

(b) the principal of and the interest on Outstanding Bonds and Bonds, as such principal and interest become due, less interest to be paid out of Bond proceeds as permitted by any Bond Resolution and less any other funds on hand for payment of principal and interest on the Bonds and Outstanding Bonds;

(c) during each Fiscal Year, the proportionate part of any special or reserve funds required to be established and/or maintained by the provisions of any Bond Resolution and/or any resolution authorizing the Bonds or Outstanding Bonds; and

(d) an amount in addition thereto sufficient to restore any deficiency in any of such funds or accounts required to be accumulated and maintained by the provisions of any Bond Resolution and/or any resolution authorizing the Bonds or Outstanding Bonds.

Section 5.03. PAYMENTS BY TOWN. (a) It is estimated that the Town will first discharge Wastewater into the Wastewater Tunnel and thus into the System in October, 1993. For services to be rendered to Town by Authority hereunder, Town agrees to pay, at the time and in the manner hereinafter provided, its proportionate share of the Annual Requirement, which shall be determined as follows and shall constitute Town's Annual Payment:

For each Fiscal Year the Town's proportionate share of the Annual Requirement shall be a percentage obtained by dividing Town's estimated annual contributing flow to the System by the total estimated annual contributing flow to the System by all Contracting Parties, and by multiplying such percentage times the Annual Requirement. The resulting amount shall constitute the Town's Annual Payment for such Fiscal Year.

Town's Annual Payment shall be made to Authority in equal monthly installments for each Fiscal Year commencing with the month during which the Town first discharges Wastewater into the Wastewater Tunnel and thus into the System (the Service Date). No payments are required to be paid by the Town to the Authority under this Contract prior to the Service Date. Such payments shall be made in accordance with and at the times set forth in a Schedule of Payments for each Fiscal Year which will be supplied to Town. At the close of each Fiscal Year, Authority shall redetermine Town's percentage by dividing Town's actual metered contributing flow to the System by the total actual metered contributing flow to the System by all Contracting Parties. Town's Adjusted Annual Payment shall be calculated by multiplying Town's redetermined percentage times the Annual Requirement. The difference between the Adjusted Annual Payment and the Annual Payment, if any, when determined, shall be applied as a credit or a debit to Town's account with Authority and shall be credited or debited to Town's next subsequent monthly payment or payments for the next Fiscal Year.

(b) If, during any Fiscal Year, Authority begins providing services to an Additional Contracting Party or Parties, Town's Annual Payment for such Fiscal Year shall be redetermined in the following manner:

(i) Such Additional Contracting Party or Parties estimated contributing flow to the System for such year, or portion thereof, shall be determined by Authority;

(ii) Town's proportionate share of the Annual Requirement shall be a percentage, redetermined by dividing Town's estimated annual contributing flow to the System by the total estimated annual contributing flow to the System by all Contracting Parties, including that estimated for the Additional Contracting Party or Parties for the remaining portion of such Fiscal Year;

(iii) Authority shall redetermine the Annual Requirement, taking into consideration any costs incurred on account of the Additional Contracting Party or Parties;

(iv) Town's Annual Payment shall be redetermined by multiplying Town's redetermined percentage times the redetermined Annual Requirement.

(c) Town's Annual Payment shall also be redetermined, in the manner set out above, at any time during any Fiscal Year if:

(i) Additions, enlargements or improvements to the System are constructed by Authority to provide continuing service which in turn requires a redetermination of the Annual Requirement; or

(ii) Unusual or extraordinary expenditures for operation and maintenance are required which are not provided for in the Annual Budget or in the Bond Resolution; or

(iii) Town's contributing flow to the System, after the beginning of the Fiscal Year, is estimated to be substantially different from that on which Annual Payments are based as determined by Authority, to the extent that such difference in flow will substantially affect Town's Budget, and consequently Town's Annual Payment to Authority.

(d) The Annual Payment set forth in this section shall be considered the Basic Charge for service hereunder, and Town shall pay surcharge for excess BOD and/or SS determined in the manner set forth in Section 4.05.

(e) (1) The amount of the Annual Requirement for each such Fiscal Year shall be calculated by the Authority, in accordance with Section 5.02 hereof, prior to the beginning of each such Fiscal Year, which Annual Requirement shall include, in addition to Bond servicing requirements, the Operation and Maintenance Expenses for each Fiscal Year as estimated and set forth in the Annual Budget adopted by the Board of Directors of the Authority in accordance with Section 7.01 hereof prior to the commencement of each such Fiscal Year. Then the amount of the Annual Requirement as so calculated shall be divided by the number of 1,000 gallons of total estimated contributing flow of Wastewater to the System by all Contracting Parties, calculated and estimated by the Authority, in accordance with Section 5.03(a) hereof, prior to the commencement of each such Fiscal Year, and thereby obtaining an estimated cost per 1,000 gallons of Wastewater for the services of the System to all Contracting Parties for each such Fiscal Year.

(2) In addition to all other payments required to be made by the Town under this Contract, the Town agrees and shall be unconditionally obligated to pay to the Authority during each month for 120 months commencing with the first complete month following the Service Date, but not thereafter, a surcharge for the Wastewater services received by the Town under this Contract, calculated as hereinafter provided. For the purpose of calculating such surcharge, the following terms, as used herein, shall have the following meanings, respectively:

"Base Quantity" means the average monthly metered number of gallons of Wastewater discharged by the Town through meters at its city limits, for transportation (through facilities of the Cities of Farmers Branch and Carrollton, Texas) to be received and treated in the Authority's System, during the 12 complete calendar months prior to the Authority's receipt of the written notice and assurance with respect to the Service Date and completion of the Wastewater Tunnel, as required under the definition of the term "Service Date" in Section 1.01 hereof. The Town shall, at least 15 days prior to the Service Date, give written notice to the Authority of such average monthly metered number of gallons of Wastewater, together with the pertinent records and meter readings, satisfactory to the Authority, verifying such metered number.

"Surcharge Quantity" means all Wastewater discharged by the Town into the Wastewater Tunnel during any month in excess of the Base Quantity.

The Town shall pay a surcharge equal to 20% of the cost per 1,000 gallons calculated as provided in (1), above, for each 1,000 gallons of Wastewater actually discharged by the Town during each month into the Wastewater Tunnel in excess of the Base Quantity. The aggregate number of 1,000 gallons of such Surcharge Quantity, if any, for each Fiscal Year shall be estimated at the time the estimates are made in accordance with Section 5.03(a), and shall be multiplied by such surcharge, and the result divided by 12, and the amount obtained thereby shall be added to and be paid along with each monthly installment of the Town's Annual Payment, and shall be added to and included in the Schedule of Payments for each such Fiscal Year furnished to the Town pursuant to Article V hereof. At the close of each such Fiscal Year the Authority shall redetermine the total amount actually payable by the Town due to such surcharge by multiplying such surcharge times the actual aggregate number of 1,000 gallons of Surcharge Quantity, if any, during such Fiscal Year. The difference, if any, between the amount so paid and the amount actually due based on actual Surcharge Quantity shall be applied as a credit or a debit to Town's account with

the Authority and shall be credited or debited to Town's next subsequent monthly payment or payments.

(3) It is understood and agreed that the total amount due to the Authority from the above surcharge paid by the Town during each of the aforesaid 120 months shall be applied by the Authority at the end of each Fiscal Year solely as a credit to the amounts of the Annual Requirement which otherwise would be payable during the ensuing Fiscal Year by the following Contracting Parties: the Cities of Arlington, Bedford, Carrollton, Colleyville, Coppell, Dallas, Euless, Farmers Branch, Fort Worth, Grand Prairie, Grapevine, Hurst, Irving, Mansfield, and North Richland Hills, Texas, and the Dallas/Fort Worth Airport Board. It is acknowledged that such surcharge will be paid by the Town towards offsetting previous capital costs in effect paid by said earlier Contracting Parties in connection with the existing System.

(f) Recognizing that the Authority will use payments received from Town to pay, secure, and finance the issuance of Bonds and to pay the Outstanding Bonds, it is hereby agreed that upon the effective date hereof, Town shall be unconditionally obligated to pay its proportionate share of the Annual Requirements and to pay the surcharge described in (d) and (e), above.

(g) On or before August 1 of each year, commencing with 1993, Authority will furnish Town with an estimated schedule of monthly payments to be made by Town for the ensuing Fiscal Year, and any payments estimated to be required from the Town for part of the then current Fiscal Year. On or before November 1 of each year, Authority shall furnish Town with a finalized schedule of the monthly payments to be made by such Town to the Authority for the ensuing Fiscal Year, and for any part of the then current Fiscal Year. Town hereby agrees that it will make such payments to the Authority on or before the 10th day of each month of such Fiscal Year. If the Town at any time disputes the amount to be paid by it to Authority, Town shall nevertheless promptly make the payment or payments determined by Authority, and, if it is subsequently determined by agreement, arbitration or court decision that such disputed payments made by Town should have been less, Authority shall promptly revise and reallocate the charges among all parties then being served by Authority in such manner that Town will recover its overpayment. In the event Town is assessed a surcharge for excess BOD and/or SS, Authority will bill Town for such surcharge on or before the fifth (5th) day of the month following the determination of the surcharge and Town shall pay such surcharge on or before the tenth (10th) day of the month following the month of receipt of any such bill. Any such

surcharge collected by Authority shall be applied by Authority against the total cost of Operation and Maintenance Expense of the System.

(h) If Town's Annual Payment is redetermined as is herein provided, Authority will promptly furnish Town with an updated schedule of monthly payments reflecting such redetermination.

ARTICLE VI

Section 6.01. CONSTRUCTION. Authority agrees to operate and maintain the existing facilities of the System and also all additional or replacement facilities which are required and completed in accordance with the Engineering Report.

Section 6.02. CONDITIONS PRECEDENT. It is expressly understood and agreed that any obligation on the part of the Authority to complete and operate the said facilities shall be conditioned upon the following:

(a) Sale of Bonds in an amount which, together with other available funds, will be sufficient to assure the construction of the System;

(b) The Authority's ability, or the ability of the Authority's contractors, to obtain all material, labor, and equipment necessary for completion of the System.

Section 6.03. OBLIGATIONS OF TOWN. Authority shall never have the right to demand payment by Town of any obligation assumed or imposed on it under and by virtue of this Contract from funds raised or to be raised by taxation, it being expressly understood by the parties hereto that all payments due by Town hereunder are to be made from the revenues and income received by Town from its combined waterworks and sanitary sewer system, as authorized by law, and the Town hereby pledges such revenues and income to making such payments.

Section 6.04. PAYMENTS TO CONSTITUTE OPERATING EXPENSES BY TOWN. Town represents and covenants that the services to be obtained pursuant to this Contract are essential and necessary to the operation of Town, its combined waterworks and sanitary sewer system, and its Local Wastewater Facilities, and that all payments to be made hereunder by it will constitute reasonable and necessary "operating expenses" of Town's combined waterworks and sanitary sewer system, within the meaning of Article 1113, Vernon's Annotated Texas Civil Statutes, and the provisions of all Ordinances authorizing the issuance of all revenue

bond issues of Town which are payable from revenues of the Town's combined waterworks and sanitary sewer system

Section 6.05. TOWN TO ESTABLISH ADEQUATE RATES. Town agrees to establish and collect such rates and charges for services to be supplied by its combined waterworks and sanitary sewer system as will make possible the prompt payment of all expenses of operating and maintaining such combined system, including all payments contracted hereunder, and the prompt payment of the principal of and interest on its obligations, if any, payable from the revenues of its combined waterworks and sanitary sewer system.

Section 6.06. USE OF REVENUES OF SYSTEM. All revenues received from any source whatsoever by Authority by reason of its ownership of this System shall, to the extent permitted by law, be credited to the funds of the System as established in the Bond Resolutions. To the extent permitted by law, if the Authority receives income from the use of treated Wastewater, prior to its discharge into a public stream of the State of Texas, the Authority will apply said income against the Operating and Maintenance Expense of the System. Provided, that revenues received by Authority from the Dallas-Fort Worth Regional Airport Board under contract dated July 16, 1971, as amended, and any revenues received under contracts, the revenues from which are pledged to the payment of special facility bonds, as permitted in the Bond Resolutions, shall not be credited to said funds of the System and will not be a part of the pledge of revenues for payment of the Bonds. Neither shall any revenues received by the Authority under contracts where the Authority is acting as a signatory to the Texas Water Pollution Control Compact be included as a part of the pledge of revenues for payment of the Bonds. No funds derived from the Contracting Parties shall ever be used for the benefit of any project the revenues of which have been excluded from the pledge for payment of the Bonds hereunder or which may be so excluded in the future.

Section 6.07. FORCE MAJEURE. In case by reason of "Force Majeure" either party hereto shall be rendered unable wholly or in part to carry out its obligations under this agreement, then if such party shall give notice and full particulars of such "Force Majeure" in writing to the other party within a reasonable time after occurrence of the event or cause relied on, the obligation of the party giving such notice, so far as it is affected by such Force Majeure, with the exception of the obligation of Town to make the payments required in Section 5.03(f) hereof, shall be suspended during the continuance of the inability then claimed, but for no longer periods, and any such party shall endeavor to remove or overcome such inability

with all reasonable dispatch. The term "Force Majeure" as employed herein, shall mean acts of God, strikes, lockouts, or other industrial disturbances, acts of public enemy, orders of any kind of the Government of the United States or the State of Texas or any civil or military authority, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, storms, floods, washouts, droughts, arrests, restraint of government and people, civil disturbances, explosions, breakage or accidents to machinery, pipe lines or canals, partial or entire failure of water supply, and inability on the part of Town to provide water necessary for operation of its combined water and sanitary sewer system hereunder, or of Authority to receive Wastewater on account of any other causes not reasonably within the control of the party claiming such inability. It is understood and agreed that the settlement of strikes and lockouts shall be entirely within the discretion of the party having the difficulty, and that the above requirement that any Force Majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes and lockouts by acceding to the demands of the opposing party or parties when such settlement is unfavorable to it in the judgment of the party having the difficulty.

Section 6.08. INSURANCE. Authority will carry insurance for purposes and in amounts which would ordinarily be carried by a privately owned utility company under contract to perform services similar to those undertaken by Authority in this Contract.

Section 6.09. REGULATORY BODIES. This Contract shall be subject to all valid rules, regulations, and laws applicable hereto passed or promulgated by the United States of America, the State of Texas, or any governmental body or agency having lawful jurisdiction or any authorized representative or agency of any of them.

Section 6.10. ADVISORY COMMITTEE. Commencing with the Service Date, the Town's governing body shall annually appoint one of the members of its governing body or one of its officers as a voting member of the Advisory Committee for the Authority's Central Wastewater Treatment System. Said Committee shall be comprised of one voting representative of each Contracting Party and Additional Contracting Party. Additionally, the Board of Directors of the Authority shall annually appoint to serve as non-voting members of the Advisory Committee one of its Dallas County Directors and one of its Tarrant County Directors. The Advisory Committee, at its first called meeting, shall elect a Chairman, a Vice Chairman and a Secretary. The Advisory Committee shall establish bylaws governing the election of officers, meeting dates and other matters pertinent

to the functioning of the Advisory Committee. The Advisory Committee shall consult with and advise the Authority, through its General Manager, with regard to the following matters pertaining to the System:

- (i) Future plans for expansion;
- (ii) Methods for improved service;
- (iii) The inclusion of Additional Contracting Parties;
- (iv) The proposed Annual Budget, prior to its submission by the Authority's General Manager to the Authority's Board;
- (v) Review of the Annual Report and Annual Audit; and
- (vi) All such matters as relate to its management, operation, and maintenance.

Said Committee shall inspect, no less than annually, all physical elements of the System. A copy of the minutes of the meetings of the Advisory Committee and all other pertinent data, shall be provided to the Authority's President.

The term of membership on the Advisory Committee shall be for twelve (12) months, beginning on December 1st of each year and ending on November 30th of the succeeding year. A member may serve more than one (1) term if so appointed by the governing body represented. The Authority's General Manager, or his designated representative, shall serve ex officio as a member of the Advisory Committee without voting rights. All expenses of the Advisory Committee shall be considered as an operating expense of the System.

Section 6.11. AUTHORITY CONTRACTS WITH OTHERS. The Authority reserves the right to contract with other persons, natural or corporate, private or public, to perform services similar to those to be performed under this Contract or other services; provided, however, that no contract will be made for service within Town's Town limits or within the extraterritorial jurisdiction of any Town, as defined by law, on the date of such contract, without such Town's written consent.

Section 6.12. ADDITIONAL CAPACITY AND FACILITIES. As the responsible agency for the establishment, administration, operation, and maintenance of the System, the Authority will, from time to time, determine when it is necessary to provide additional facilities to receive, transport, treat, and dispose of additional Wastewater of the Contracting Parties and any

Additional Contracting Parties. In making the determinations called for herein, Authority covenants that such determinations will be made only after detailed studies of statistical data available as to the need and feasibility have been made and after consulting with the Advisory Committee, consulting engineers, and financial advisors. Town will be kept advised at all times of planning and proposed development of the System.

Section 6.13. ANNUAL REPORT AND AUDIT OF SYSTEM. The Authority shall, at the close of each Fiscal Year, cause to be prepared an Annual Report and Audit of the System. Such report shall contain such matters and information as may be considered necessary and useful by Authority and the Advisory Committee.

Section 6.14. PUBLICATIONS, REFERENCE WORKS, GOVERNMENTAL REGULATIONS. In each instance herein where reference is made to a publication, reference work or Federal or State regulation, it is the intention of the parties that at any given time the then current edition of any such publication or reference work or Federal or State regulation shall apply. If a publication or reference work is discontinued or ceases to be the generally accepted work in its field or if conditions change or new methods or processes are implemented by the Authority, new standards shall be adopted which are in compliance with State and Federal laws and any valid rules and regulations issued pursuant thereto.

Section 6.15. OPERATION OF THE SYSTEM. Authority covenants that it will operate the System in accordance with accepted good business and engineering practices and in accordance with requirements of the Federal Water Pollution Control Act, as amended, and as said Act may be amended in the future, and any rules and regulations issued and to be issued by appropriate agencies in the administration of said Act. Town and Authority agree that their obligations hereunder shall include compliance with the requirements made under said Act, and any rules and regulations issued pursuant thereto.

ARTICLE VII

AUTHORITY ANNUAL BUDGET

Section 7.01. FILING WITH TOWN. It is understood that the Annual Budget for the System for the current Fiscal Year has been prepared and is and will be effective for all purposes of this Contract. Not less than forty (40) days before the commencement of each Fiscal Year hereafter while this Contract is in effect, Authority shall cause to be prepared as herein provided its tentative budget for the operation of the System

only for the next ensuing Fiscal Year. A copy of such tentative budget shall be filed with each Contracting Party and Additional Contracting Party. If no protest or request for a hearing on such tentative budget is presented to Authority within ten (10) days after such filing of the tentative budget by one or more Contracting Parties or Additional Contracting Parties, the tentative budget for the System, when adopted by Authority's Board of Directors, shall be considered for all purposes as the "Annual Budget" for the next ensuing Fiscal Year. But if protest or request for a hearing is duly filed, it shall be the duty of the Authority to fix the date and time for a hearing on the tentative budget before the Advisory Committee as constituted in Section 6.11 hereof and shall so advise all Contracting Parties and Additional Contracting Parties in writing. The Advisory Committee shall consider the testimony and showings made in such hearing and shall report its findings to the Board of Directors of Authority. The Board of Directors of Authority may adopt the budget or make such amendments thereof as to it may seem proper. The budget thus approved by the Board of Directors of the Authority shall be the Annual Budget for the next ensuing Fiscal Year.

The Annual Budget may be amended to provide for transfers of budgeted funds between expenditure accounts, provided however that said transfers do not result in an overall increase in budgeted funds as approved in the Annual Budget. The Annual Budget may be increased through formal action by the Board of Directors of Authority. Certified copies of the amended Annual Budget and resolution shall be filed immediately by the Authority with each Contracting Party and Additional Contracting Party.

ARTICLE VIII

EFFECTIVE DATE AND TERM OF CONTRACT

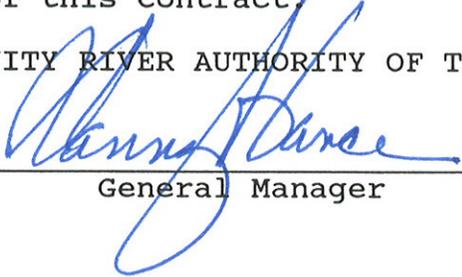
Section 8.01. EFFECTIVE DATE. This Contract shall become effective as of the date of execution hereof. As of the Service Date this Contract shall constitute the only contract between Town and Authority regarding Wastewater disposal services of the System.

Section 8.02. TERM OF CONTRACT. This Contract shall continue in force and effect from the effective date hereof until November 29, 2023, and thereafter shall continue in effect until any Outstanding Bonds, Bonds, or any Bonds issued to refund same, if any, have been paid in full. Town shall have the right to the continued performance of services provided hereunder for the useful life of the System after amortization of Authority's investment in the System, upon payment of

charges by Town, reduced to take into consideration such amortization.

IN WITNESS WHEREOF, the parties hereto acting under authority of their respective governing bodies have caused this Contract to be duly executed in several counterparts, each of which shall constitute an original, all as of the 24th day of October, 1990, which is the date of this Contract.

TRINITY RIVER AUTHORITY OF TEXAS

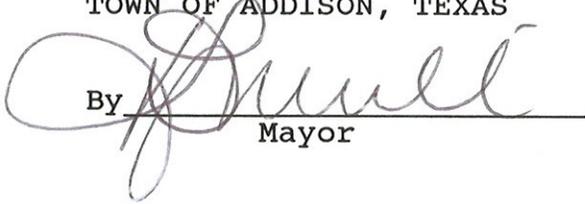
By 
General Manager

ATTEST:

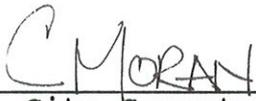

Secretary

(SEAL)

TOWN OF ADDISON, TEXAS

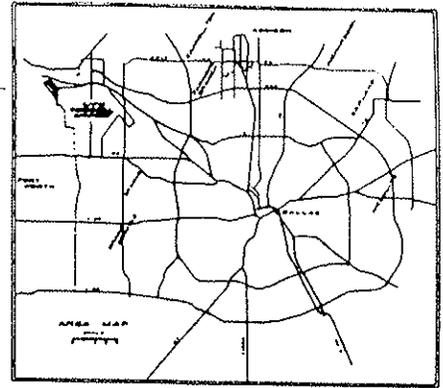
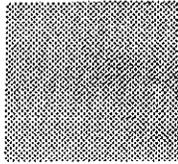
By 
Mayor

ATTEST:


City Secretary

(SEAL)

CENTRAL
REGIONAL
WASTEWATER
SYSTEM
SERVICE
AREA



MIDWAY
SOUTH

MIDWAY
NORTH

ADDISON AIRPORT

DALLAS

CARROLLTON

A1

A3

A2-b

A2-c

A2-d

A4

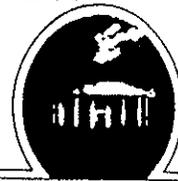
A7

A5

A6

DALLAS

FARMERS
BRANCH



TOWN OF
ADDISON

SEWER BASINS