

Operations, Maintenance and Management Services Agreement

THIS AGREEMENT is entered into this 5 day of April 2023, by and between

Sangamon Valley Public Water District, with its mailing address at 709 North Prairie View Road, Mahomet, IL 61853 (hereinafter the "Owner")

and

Veolia Water North America-Central, LLC, a Delaware limited liability company, with its principal address at 461 From Road, Suite 400, Paramus, New Jersey 07652 (hereinafter "Company").

WHEREAS, Owner owns and provides for the operation of water and wastewater system, including maintenance, repair, expansion administration, billing, collection, customer service and permitting functions; and,

WHEREAS, Owner desires to employ Company to perform the operation and maintenance functions for Owner's water and wastewater treatment plants, upon the terms and conditions provided for herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, Owner and Company agree as follows:

1. General

1.1 Definitions of words and phrases used in this Agreement and the attachments are contained in Appendix A.

1.2 All land, buildings, facilities, easements, licenses, rights-of-way, equipment, and vehicles presently or hereinafter acquired or owned by Owner shall remain the exclusive property of Owner unless specifically provided for otherwise in this Agreement.

1.3 This Agreement shall be governed by and interpreted in accordance with the laws of the State of Illinois.

1.4 This Agreement shall be binding upon the successors and assigns of each of the parties, but neither party shall assign this Agreement without the prior written consent of the other party. Consent shall not be unreasonably withheld.

1.5 All notices shall be in writing and transmitted to the party's address stated above. All notices shall be deemed given when delivered, if delivered personally or by courier mail service, e.g., Federal Express, delivered after such notice has been deposited in the United States mail postage prepaid, if mailed certified U.S. mail, return receipt requested; or received by the party for which notice is intended if given in any other manner.

1.6 This Agreement, including Appendices A through E, is the entire Agreement between the parties. This Agreement may be modified only by written agreement signed by both parties. Wherever used, the terms "Company" and "Owner" shall include the respective officers, agents, directors, elected or appointed officials and employees and, where appropriate, subcontractors or anyone acting on their behalf.

1.7 If any term, provision, covenant, or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions shall remain in full force and effect and shall in no way be affected, impaired, or invalidated.

1.8 It is understood that the relationship of Company to the Owner is that of independent contractor. The services provided under this Agreement are of a professional nature and shall be performed in accordance with good and accepted industry practices for contract operators similarly situated. However, such services shall not be considered engineering services, and nothing herein is intended to imply that Company is to supply professional engineering services to Owner unless specifically stated in this Agreement to the contrary.

1.9 If any litigation is necessary to enforce the terms of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees which are directly attributed to such litigation in addition to any other relief to which it may be entitled.

1.10 Nothing in this Agreement shall be construed to create in any third party or in favor of any third party any right(s), license(s), power(s), or privilege(s).

1.11 Prior to the commencement of work under this Agreement, each party shall designate in writing an employee or other representative of the designating party who shall have full authority to approve changes in the Scope of Work and compensation therefor, execute written Change Orders reflecting such changes, render decisions promptly, and furnish information expeditiously to the other party when necessary.

1.12 This Agreement shall be interpreted in accordance with its plain meaning and not strictly for or against either party hereto.

1.13 There are no warranties which extend beyond those expressed in this Agreement. Company disclaims, and Owner waives, any implied warranties or warranties imposed by law, including warranties of merchantability, fitness for a particular purpose, custom and usage, as to any of Company's services.

2. Company's Services – General

2.1 Company shall provide a sufficient number of certified and qualified personnel, including management, administrative, operational, technical, laboratory and clerical, who meet relevant State requirements and certifications regarding water and wastewater treatment operations, maintenance and management and are capable and demonstrate experience necessary to operate the facilities covered by this Agreement.

2.2 Company shall provide ongoing training and education for appropriate personnel in all necessary areas of modern water and/or wastewater process control, maintenance, safety, and supervisory skills.

2.3 Company shall develop and/or supply and utilize computerized programs for maintenance, process control, cost accounting, and laboratory Quality Assurance/Quality Control. Such programs shall be capable of readily providing historical data and trends.

2.4 Within ninety (90) days after Company begins service under this Agreement, Company will provide a physical inventory of the Owner's vehicles and equipment in use at the Project and a general statement as to the condition of each vehicle or piece of equipment.

2.5 Company will provide Owner with a physical inventory of chemicals and other consumables on hand when Company begins services under this Agreement. Company will provide Owner with the same quantity of chemicals or equivalent, subject to obsolescence, upon termination of this Agreement.

2.6 Company shall be responsible for maintaining all manufacturers' warranties on new equipment purchased by Owner and assist Owner in enforcing existing equipment warranties and guarantees.

2.7 Company shall provide the Owner with full documentation that preventive maintenance is being performed on Owner's owned equipment in accordance with prudent industry practices and in sufficient detail as may be determined by the Owner. Such a maintenance program must include documentation of corrective and preventive maintenance and a spare parts inventory.

2.8 Company shall operate, maintain and/or monitor the Project on a 24-hour per day, seven day per week schedule, but the facilities will only be staffed Monday through Friday for eight (8) hours a day with routine rounds performed on the weekends.

2.9 Visits may be made by Owner's officers so designated by the Owner's representative Monday through Friday while the Project is staffed. All visitors to the Project shall check in with Company staff upon arrival, comply with Company's operating and safety procedures at all times, and shall, at Company's option, be accompanied by Company personnel.

2.10 Company will implement and maintain an employee safety program in compliance with applicable laws, rules, and regulations and make recommendations to Owner regarding the need, if any, for Owner to rehabilitate, expand, or modify the Project to comply with governmental safety regulations applicable to Company's operations hereunder and federal regulations promulgated pursuant to the Americans With Disability Act ("ADA"). Nothing herein shall be construed to place upon Company a duty to find and report violations of either the safety laws or the ADA at the Facility.

2.11 Company may modify the process and/or facilities to achieve the objectives of this Agreement and charge the Costs to the Maintenance and Repair Limit; provided, however,

no modification shall be without Owner's prior written approval if the complete modification Cost shall be in excess of One Thousand Dollars (\$1,000).

2.12 In any emergency affecting the safety of persons or property, Company may act without written amendment or change order, at Company's discretion, to prevent threatened damage, injury, or loss. Company shall be compensated by Owner for any such emergency work notwithstanding the lack of a written amendment. Such compensation shall include Company's non-labor direct Costs for the emergency work. Nothing contained in this Section shall impose upon Company a duty to perform any emergency work absent a change order and failure to perform any such emergency work shall not impose upon Company any liability for errors and omissions.

2.13 As required by law, permit, or court order, Company will prepare plant performance reports and submit them to Owner for signature and transmittal to appropriate authorities.

2.14 Company will provide laboratory testing and sampling presently required by plant performance portions of the NPDES permit, the Clean Water Act, the Safe Drinking Water Act, and/or any federal, state, or local rules and regulations, statutes, or ordinances, permit, or license requirements or judicial and regulatory orders and decrees. Company shall additionally provide technical and analytical services to Owner to assist Owner in managing Owner's Industrial Pretreatment Program including sampling, monitoring, and preparation of the required reports.

2.15 [Intentionally omitted.]

2.16 Within the first ninety (90) days of this Agreement, Company shall provide Owner with a listing of recommended capital improvements that Company believes will be required for any of the facilities covered by the Agreement. Subject to the terms of this Agreement, Company shall not be relieved of its responsibilities to perform the services required hereunder if the recommendations are not implemented.

2.17 [Intentionally omitted.]

2.18 Company shall use reasonable efforts consistent with prudent industry practices and the Agreement to control odors from the Facility so that no disruption of adjacent facilities occurs. Company, in conjunction with Owner, shall develop a program that identifies procedures for certifying and documenting odor complaints, and shall establish procedures to address recurrent failures of the odor control program.

2.19 Company shall comply with the requirements of Owner regarding affirmative action and provisions for minority hiring.

2.20 Company shall provide Owner with an accounting of all category expenditures at intervals and in sufficient detail as may be determined by Owner and assist Owner in the preparation of annual operating budgets.

2.21 Subject to the availability of funds within the Maintenance and Repair Limit, the Chemical Limit, and the Utility Limit (each a "Limit" and collectively, the "Limits") Company will perform all Maintenance and Repairs and pay all Chemical and Utility Costs for the Project and submit a monthly accounting to Owner. Each of the Limits will be reconciled annually within 90 days of the end of each calendar year. If the respective Maintenance and Repair, Chemical, and Utility Costs exceed the respective Limit specified in Section 8.1, Company will invoice Owner for the overage. If the Costs are less than the respective Limit, Company will reimburse Owner for the difference.

2.22 Company shall comply with the requirements of Owner's Water and Sanitary Sewer Ordinance, the Illinois Environmental Protection Act, the Illinois Public Water District Act, and all applicable federal, state, and local laws, regulations, and ordinances while performing services pursuant to this Agreement.

3. Company's Scope of Services - Wastewater

3.1 This Article shall apply to Company's OM&M services for the Owner's wastewater treatment system.

3.2 Within the design capacity and capabilities of the wastewater treatment plant described in detail in Appendix B, Company will manage, operate, and maintain the wastewater treatment plant designed to treat 0.400 million gallons per day so that effluent discharged from the Plant's outfalls meets the requirements specified in Appendix C-1. Company shall monitor all wastewater entering the Plant and treat all such wastewater in accordance with the terms of this Agreement and applicable law.

3.3 Except as otherwise provided herein, Company will pay all Costs incurred in normal Wastewater operations.

4. Company's Scope of Services – Water Treatment Plant

4.1 This Article shall apply to Company's OM&M services for the Owner's water treatment plant.

4.2 Within the design capacity and capabilities of the water treatment plant described in more detail in Appendix B, Company will manage, operate, and maintain the water treatment plant designed to treat 1000 gallons per minute so that finished water produced from the plant meets the requirements specified in Appendix C-2.

4.3 Company shall operate Owner's water treatment plant, wells, and water tanks.

4.4 Except as otherwise provided herein, Company will pay all Costs incurred in normal water operations.

5. Company's Scope of Services - Wastewater Collection System and Water Distribution System

5.1 This Article shall apply to Company's maintenance and repair services for the Owner's wastewater collection system and the water distribution system. The collection system and water distribution system are described in Appendix B. Any additional services or lines will constitute a change of scope. Company shall not be responsible for completing any new service taps unless Owner agrees to pay for such service as a Change in Scope hereunder.

5.2 Company will maintain and repair the wastewater collection system and the water distribution system. Company's responsibility for the wastewater collection system shall include only the sewer mains. Company's responsibility for the water distribution system shall include only water mains. For clarification, water and sewer laterals beyond the connection at the main are the responsibility of respective homeowners per SVPWD policy.

5.3 Costs associated with the services described in this Article shall be charged to the Maintenance and Repair Limit specified in Section 8.1.

5.4 Sewer Back-Up Procedure. From and after the inception of the Term of this Agreement, Company shall establish (i) a routine, normal sewer line preventative maintenance program, and (ii) corrective procedures to be implemented in the event of any personal injury or property damage resulting from a sewer back-up which will consist of the following:

1. Upon receipt of a Customer's notice, Company will determine whether the cause of the sewer back-up was an obstruction in Owner's lateral line or the Customer's house line;

2. If the obstruction is in Owner's lateral line, Company will (i) remove the cause of the sewer line obstruction by implementation of its corrective procedures; (ii) document the approximate date and time of the obstruction; (iii) determine the extent of the personal injury or property damage, if any; (iv) contact a predetermined water remediation company to clean up the sewer back-up and to minimize any damage, the cost of which will be paid by Owner; and (v) provide notice to Owner's insurance carrier of the potential loss claim;

3. If the sewer line back-up is the Customer's house line, Company will advise the Customer to contact a water remediation service company and Customer's homeowner's insurance carrier; and

4. If the Customer files a claim against Owner or Company, Company will notify Owner and Owner's independent insurance carrier who will determine whether or not to pay the claim.

Except as provided in Subsection 11.1 below, after completing the procedure set forth in Subsections 5.4.1 through 5.4.4 above, Company shall have no further responsibility or liability to Owner or the Customer(s) for the personal injury or property damage caused by the sewer back-up or the consequences thereof.

6. Company's Scope of Services – Meter Reading, Billing, Bookkeeping, and Related Customer Service

6.1 This Article shall apply to Company's operation, maintenance, and management services for the Owner's billing, bookkeeping, and customer service functions.

6.2 On a monthly basis Company shall read the water meter for each customer of Owner connected to the water system (each a "Customer") and prepare and mail an itemized invoice to each Customer for such service.

6.3 Company shall respond to requests for service by customers such as turning on service for water, answering questions, rechecking meter readings, and dealing with any other routine customer inquiries. A local telephone number will be provided to the Customers to call.

6.4 Company shall carry out the existing tariffs of Owner regarding customers' service and account billing procedures. These policies include, but are not limited to, payment times, termination of service, setting deposits, correcting errors, and extending customer credit.

6.5 Company shall use reasonable efforts to collect all available revenue from sales, connection fees, security deposits, reconnect fees, late payment charges, taxes collected and all other monies due from Customer; provided, however it shall be the sole responsibility for Owner to pursue any legal action needed to collect accounts. Owner shall have the sole authority to write off any unpaid accounts. All receipts shall be directed to a lock box or similar secured banking account, in accordance with the written directions of Owner. Company shall have no authority or responsibility to make withdrawals from the lock box account.

6.5 Company will carry out billing and collection activities from its office at the existing Owner's Water Treatment Plant.

6.6 Company shall comply with the requirements of Owner's Water and Sanitary Sewer Ordinance, the Illinois Public Water District Act, and all applicable federal, state, and local laws, regulations, and ordinances while performing the Owner's billing, bookkeeping, and customer service functions pursuant to this Agreement.

7. Owner's Duties

7.1 The Owner shall fund all necessary Capital Expenditures, which will be performed by Company under a written change order to this Agreement. Priority shall be given to safety and the ADA related expenses described in Section 2.10. Any loss, damage, or injury resulting from Owner's failure to provide capital improvements and/or funds in excess of the Maintenance and Repair Limit when reasonably necessary to protect public health, the health and safety of Company's employees, and/or to comply with the NPDES Permit(s) and other applicable laws shall be the sole responsibility of Owner.

7.2 The Owner shall keep in force all Project warranties, guarantees, easements, and licenses that have been granted to Owner and are not transferred to Company under this Agreement.

7.3 The Owner shall pay all sales, excise, ad valorem, property, franchise, occupational, and disposal taxes, or other taxes associated with the Project other than taxes imposed upon Company's net income and/or payroll taxes for Company employees. In the event Company is required to pay any sales tax or use taxes on the value of the services provided by Company hereunder or the services provided by any subcontractor of Company, such payments shall be reimbursed by the Owner unless the Owner furnishes a valid and

properly executed exemption certificate relieving the Owner and Company of the obligation for such taxes. In the event the Owner furnishes an exemption certificate which is invalid or not applicable to services by Company, the Owner shall indemnify Company for any taxes, interest, penalties, and increment costs, expenses, or fees which it may incur as a result of Company's reliance on such certificate.

7.4 The Owner shall provide Company, within a reasonable time after request and on an "as available" basis, with the temporary use of any piece of Owner's heavy equipment that is available so that Company may discharge its obligations under this Agreement in the most cost-effective manner. Company hereby agrees to indemnify and hold Owner harmless from any liability or damages for bodily injury, including death, property damages, and pollution damages that may arise from Company's temporary use of any piece of Owner's heavy equipment; provided, Company shall be liable only for that percentage of total damages that corresponds to its percentage of total negligence or fault.

7.5 Owner shall provide all registrations and licenses for Owner's vehicles used in connection with the Project.

7.6 Owner shall provide for Company's exclusive use of all vehicles and equipment presently in full-time use at the Project. Company hereby agrees to indemnify and hold Owner harmless from any liability or damages for bodily injury, including death, property damages, and pollution damages that may arise from Company's use of Owner's vehicles and equipment presently in full-time use at the Project; provided, Company shall be liable only for that percentage of total damages that corresponds to its percentage of total negligence or fault.

7.7 Owner shall provide for Company's entry into existing disposal sites for disposal of garbage, screenings, grit, sludge, and scum.

7.8 Owner shall provide the Project with appropriate security personnel and/or devices to protect against any losses resulting from the theft, damage, or unauthorized use of property owned by Owner and shall accept liability for such losses except to the extent such losses are directly caused by the negligent acts or omissions of Company.

7.9 Owner warrants that during the interim period between the initial Project inspection by Company and the Commencement Date, the plants, facilities, and equipment have been operated only in the normal course of business, all scheduled and proper maintenance have been performed and there are no issues known to Owner regarding the condition of the Project, and facilities composing the Project and/or any equipment used by the Project. Owner warrants and agrees that it will turn over the plants, facilities, and equipment to Company in good working order and in compliance with the NPDES Permit(s) and all other applicable laws, rules, and regulations.

7.10 [Intentionally omitted.]

7.11 The Owner shall continue to be responsible and pay for the general administration and enforcement of (i) the water, wastewater, collection, and distribution systems, (ii) Owner's Industrial Pretreatment Program, (iii) new water and sewer connections unless Company is retained to perform such functions as a Change in Scope hereunder, and (iv)

long-term System and Service Area planning. Typical administration costs associated with the above activities include costs such as the services of the auditor, lawyer, and insurance.

7.12 Owner shall provide Company with full access to the Owner's Project as may be necessary for Company to carry out its obligations under this Agreement.

8. Compensation

8.1 Company's compensation under this Agreement shall consist of an Annual Fee. The Annual Fee for the first year of the term shall be \$1,358,850. This shall be prorated for the initial period of April 10, 2023, through December 31, 2023. The Maintenance and Repair Limit included in the Annual Fee is \$200,330. The Chemical Limit is \$85,000 and the Utility Limit included in the Annual Fee is \$125,000. For the avoidance of doubt, for the period of April 10, 2023, through December 31, 2023, the prorated Annual Fee shall be \$985,166.25.

8.2 [Intentionally omitted.]

8.3 If actual Maintenance and Repair, Chemical or Utility Costs are less than the respective Limit for any Agreement year, Company will rebate the difference to Owner in accordance with Section 9.3. If actual Costs exceed the respective Limit, Owner will pay the excess to Company in accordance with Section 9.3. Company will notify Owner when actual Costs equal eighty percent (80%) of the respective Limit.

8.4 The services being provided under this Agreement are based on reasonably expected overtime for normal breakdowns or services required after hours. Any additional expenses including straight or overtime wages caused by severe weather, a disaster or unplanned event that may be recovered through billing any third party including the State or Federal Government FEMA funds will be billed to the Owner for reimbursement.

8.5 Annual Fee (including the Maintenance and Repair, Chemical, and Utility Limits) shall be increased using the procedure in Appendix E.

9. Payment of Compensation

9.1 One-twelfth (1/12) of the Annual Fee for the current year shall be due and payable on the first of the month for each month that services are provided.

9.2 All other compensation to Company is due upon receipt of Company's invoice and payable within thirty (30) days.

9.3 Any monies payable pursuant to Section 8.3 will be paid within thirty (30) calendar days after the end of each Agreement year.

9.4 Owner shall pay interest at an annual rate equal to the Prime Interest Rate as published in the Wall Street Journal plus 3%, said rate of interest not to exceed any limitation provided by law, on payments not paid and received within fifteen (15) calendar days of the due date, such interest being calculated from the due date of the payment. In the event the charges

hereunder might exceed any limitation provided by law, such charges shall be reduced to the highest rate or amount within such limitation.

10. Scope Changes

10.1 A Change in Scope of Services shall occur when and as Company's costs of providing services under this Agreement change as a result of:

10.1.1 any change in Project operations, personnel qualifications or staffing or other cost which is a result of an Unforeseen Circumstance;

10.1.2 increases or decreases in the user base;

10.1.3 increases or decreases of not less than ten percent (10%) in the influent flow or loadings as demonstrated by a twelve-month floating average compared to the twelve-month period ending on the effective date of this Agreement (baseline flow and loading information is in Appendix C-1); or increases or decreases of not less than ten percent (10%) in the raw water flow, or raw water characteristics as demonstrated by the twelve-month average as specified in Appendix C-2.

10.1.4 increases or decreases in rates or other related charges (including taxes) imposed upon Company by a taxing authority, excluding taxes based on Company's net income; and/or

10.1.5 Owner's request of Company and Company's consent to provide additional services.

10.2 For Changes in Scope described in Sections 10.1.1 through, and including, 10.1.3, the Annual Fee shall be increased (or decreased) by an amount equal to Company's additional (reduced) Cost associated with the Change in Scope plus ten percent (10%). Modifications of the Annual Fee as a result of conditions described in Section 10.1.3 shall be retroactive to the beginning of the twelve-month comparison period.

10.3 For Changes in Scope described in Section 10.1.4, the Annual Fee shall be increased (or decreased) by an amount equal to Company's additional (reduced) Cost associated with such Change in Scope.

10.4 Owner and Company shall negotiate an increase in Company's Annual Fee for Changes in Scope based on Section 10.1.5.

11. Indemnity, Liability, and Insurance

11.1 Company hereby agrees to indemnify and hold Owner harmless from any liability or damages for bodily injury, including death, property damages, and pollution damages that may arise from Company's negligence or willful misconduct under this Agreement; provided, Company shall be liable only for that percentage of total damages that corresponds to its percentage of total negligence or fault.

11.2 Owner agrees to indemnify and hold Company harmless from any liability or damage or bodily injury, including death, property damages, and pollution damages that may arise from all causes of any kind other than Company's negligence or willful misconduct, including, but not limited to, breach of an Owner warranty.

11.3 It is specifically agreed and understood that neither party will be responsible to the other for any indirect, special, punitive, incidental, or consequential loss or damage whatsoever (including lost profits and opportunity costs) arising out of this Contract or anything done in connection herewith. This section shall apply whether any such indirect, special, punitive, incidental, or consequential loss or damage is based on a claim brought or made in contract, in tort (including negligence and strict liability), under any warranty, or otherwise.

11.4 Company shall be liable for those fines or civil penalties imposed by a regulatory or enforcement agency for violations occurring on or after the date Company takes over operation and management of the Project, of the effluent quality requirements provided for in Appendix C-1 or the finished water quality provided for Appendix C-2 that are a result of Company's negligence. Owner will assist Company to contest any such fines in administrative proceedings and/or in court prior to any payment by Company. Company shall pay the cost of any such contest.

11.5 Owner shall be liable for those fines or civil penalties imposed by any regulatory or enforcement agencies on Owner and/or Company that are not a result of Company's negligence or are otherwise directly related to the ownership of the Project and shall indemnify and hold Company harmless from the payment of any such fines and/or penalties.

11.6 To the fullest extent permitted by law and notwithstanding any other provision of this Agreement, Company's liability for performance or non-performance of any obligation arising under the Agreement (whether arising under breach of contract, tort, strict liability, or any other theory of law or equity) including, but not limited to its indemnity obligations specified in Section 11.1 of the Agreement, shall not exceed \$1,000,000 cumulatively for the duration of the Agreement, provided that the foregoing limitation shall not apply to any losses resulting from the gross negligence or willful misconduct of Company or Company's subcontractors, employees or agents in breach of Company's obligations under this Agreement.

11.7 Each party shall obtain and maintain insurance coverage of a type and in the amounts described in Appendix D. Each party shall provide the other party with satisfactory proof of insurance.

11.8 The provisions of Sections 11.1 through 11.6 above shall survive the termination of the Agreement.

12. Term, Termination and Default

12.1 The initial term of this Agreement shall be five (5) years commencing on April 10, 2023 ("Initial Term"). Thereafter, the term shall automatically renew for an additional term of five (5) years upon the same terms and conditions as contained herein, unless either party provides notice of nonrenewal to the other party no later than 180 days prior to the expiration of the Initial Term.

12.2 A party may terminate this Agreement only for a material breach of the Agreement by the other party; only after giving written notice of breach; and, except in case of a breach by Owner for nonpayment of Company's invoices, in which case termination may be immediate by Company, only after allowing the other party thirty (30) days to cure or commence taking reasonable steps to cure the breach.

12.3 In the event that this Agreement is terminated for any reason prior to the ending date of the Initial Term, the Company shall be entitled to reimbursement for its reasonable demobilization costs (not to exceed one month's service fee) and for the unamortized principal portion of the capital improvements and/or modifications that Company has completed on behalf of the Owner to the extent not previously reimbursed.

12.4 Upon notice of termination by Owner, Company shall assist Owner in assuming operation of the Project. If additional Cost is incurred by Company at the request of Owner, Owner shall reimburse Company such Cost within thirty (30) days of invoice receipt.

12.5 Upon termination of this Agreement and all renewals and extensions of it, Company will return the Project to Owner in substantially the same condition as it was upon the effective date of this Agreement, ordinary wear and tear and obsolescence excepted. Equipment and other personal property purchased by Company for use in the operation or maintenance of the Project shall remain the property of Company upon termination of this Agreement unless the property was directly paid for by Owner or Owner specifically reimbursed Company for the cost incurred to purchase the property or this Agreement provides to the contrary.

12.6 Notwithstanding anything to the contrary contained in Section 11.3 of this Agreement, if Owner terminates this Agreement in the absence of a material breach by Company, Owner shall pay liquidated damages in an amount equal to the full amount of the Annual Fee. In the event the Annual Fee is modified under Section 8.5, 10.2, 10.3, or 10.4 of this Agreement, the amount of liquidated damages payable under the preceding sentence shall be the greater of the Annual Fee set forth in Section 8.1 and the amount of the Annual Fee as modified under Section 8.5, 10.2, 10.3, or 10.4. For the avoidance of doubt, Owner shall not receive a credit for amounts already paid by Owner to Company against the amount of the Annual Fee payable as liquidated damages under this paragraph. Notwithstanding anything to the contrary contained in Section 9.2, Owner shall pay the liquidated damages owed under this paragraph within 30 days of the date Owner terminates this Agreement, as reasonably determined by Company. The foregoing damages constitute compensation and not a penalty. The parties acknowledge and agree that Company has expended significant sums to undertake the services contemplated in this Agreement and that the harm caused by a termination of this Agreement by Owner without Company having committed a material breach will be impossible or very difficult to accurately estimate and that the foregoing liquidated damages are a reasonable estimate of the anticipated or actual harm that might arise therefrom. Except as set forth in Section 12.3, the liquidated damages described in this Section shall be Company's exclusive remedy for Owner's termination of this Agreement in the absence of a material breach by Company.

13. Disputes and Force Majeure

13.1 In the event activities by employee groups or unions cause a disruption in Company's ability to perform at the Project, Owner, with Company's assistance or Company at its own option, may seek appropriate injunctive court orders. During any such disruption, Company shall operate the facilities on a best-efforts basis until any such disruptions cease.

13.2 Neither party shall be liable for its failure to perform its obligations under this Agreement if such failure is due to any Unforeseen Circumstances beyond its reasonable control or force majeure. However, this Section may not be used by either party to avoid, delay, or otherwise affect any payments due to the other party.

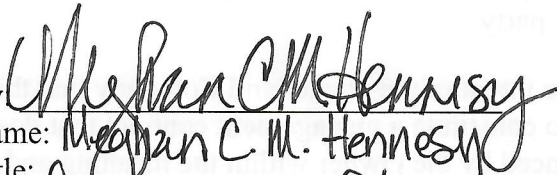
14. Rev. Proc. 2017-13 Compliance. It is the intent of the Owner and Company that this Agreement shall be construed and applied so as to constitute a management contract that does not result in private business use of property financed by the Owner within the meaning and intent of the applicable provisions of the Internal Revenue Code and related regulations, rulings and revenue procedures (including without limitations Rev. Proc. 2017-13, as amended and supplemented). Accordingly, Company agrees that it is not entitled to and will not take any tax position that is inconsistent with being a service provider to the qualified user with respect to the managed property. In the event this Agreement results in the private business use of the managed property by either the Internal Revenue Service or a court of competent jurisdiction, the parties shall attempt, in good faith, to renegotiate the terms of this Agreement so as to bring this Agreement into compliance with the Internal Revenue Code.

[The signatures of the parties appear on the following page.]

Both parties indicate their approval of this Agreement by their signatures below, and each party warrants that all corporate or governmental action necessary to bind the parties to the terms of this Agreement has been and will be taken.

Sangamon Valley Public Water District

Veolia Water North America-Central, LLC

By: 
Name: Megan C. M. Hennessey
Title: Chairman of the Board

By: Joseph Tackett
By: Joseph Tackett (Apr 6, 2023 13:42 EDT)
Name: Joseph Tackett
Title: President

APPENDIX A

DEFINITIONS

A.1 “Adequate Nutrients” means plant influent nitrogen, phosphorus, and iron contents proportional to BOD5 in the ratio of five (5) parts nitrogen, one (1) part phosphorus, and one-half (0.5) part iron for each one hundred (100) parts BOD5.

A.2 “Annual Fee” means a predetermined, fixed sum for Company’s services. The Annual Fee includes Cost and profit.

A.3 “Biologically Toxic Substances” means any substance or combination of substances contained in the plant influent in sufficiently high concentration so as to interfere with the biological processes necessary for the removal of the organic and chemical constituents of the wastewater required to meet the discharge requirements of Owner’s Certificate of Approval. Biologically toxic substances include, but are not limited to, heavy metals, phenols, cyanides, pesticides, and herbicides.

A.4 “Capital Expenditures” means any expenditures for (1) the purchase of new equipment or facility items that cost more than One Thousand Dollars (\$1,000); or (2) major repairs which significantly extend equipment or facility service life and cost more than Two Thousand Dollars (\$2,000) or (3) expenditures that are planned, nonroutine, and budgeted by Owner.

A.5 “Chemical Limit” means the amount included by the Company in the Annual Fee for the purchase and handling of chemicals.

A.6 “Commencement Date” shall mean April 10, 2023.

A.7 “Cost” means all Direct Cost and indirect cost determined on an accrual basis in accordance with generally accepted accounting principles.

A.8 “Direct Cost” means the actual cost incurred for the direct benefit of the Project including, but not limited to, expenditures for project management and labor, employee benefits, chemicals, lab supplies, repairs, repair parts, maintenance parts, safety supplies, gasoline, oil, equipment rental, legal and professional services, quality assurance, travel, office supplies, other supplies, uniforms, telephone, postage, utilities, tools, memberships, and training supplies.

A.9 “Maintenance” means those routine and/or repetitive activities required or recommended by the equipment or facility manufacturer or by Company to maximize the service life of the equipment, sewer, vehicles, and facilities.

A.10 “Maintenance and Repair Limit” means the total Maintenance and Repair expenditures that Company has included in the Annual Fee. Such expenditures exclude any labor costs for Company’s staff assigned to the Project. Company’s specialized maintenance personnel, not assigned at the Project, who provide such specialized services such as, but not limited to, vibration, thermographic and electrical analyses, instrumentation maintenance and repair will be charged to the Maintenance and Repair Limit.

A.11 “Project” means all equipment, vehicles, grounds, rights of way, sewers, and facilities described in Appendix B and, where appropriate, the management, operations and maintenance of such.

A.12 “Repairs” means those nonroutine/nonrepetitive activities required for operational continuity, safety and performance generally due to failure or to avert a failure of the equipment, sewer, vehicles or facilities or some component thereof.

A.13 “State” means the State of Illinois.

A.14 “Unforeseen Circumstances” shall mean any event or condition which has an effect on the rights or obligations of the parties under this Agreement, or upon the Project, which is beyond the reasonable control of the party relying thereon and constitutes a justification for a delay in or non-performance of action required by this Agreement, including but not limited to (i) an act of God, landslide, lightning, earthquake, tornado, fire, explosion, flood, failure to possess sufficient property rights, acts of the public enemy, war, blockade, sabotage, insurrection, riot, epidemic, pandemic, or civil disturbance, (ii) preliminary or final order of any local, province, administrative agency, or governmental body of competent jurisdiction, (iii) any change in law, regulation, rule, requirement, interpretation, or statute adopted, promulgated, issued, or otherwise specifically modified or changed by any federal, state, or local governmental body, (iv) labor disputes, strikes, work slowdowns or work stoppages, but excluding labor disputes, strikes, work slowdowns or work stoppages by employees of Company; and (v) loss of or inability to obtain service from a utility necessary to furnish power for the operation and maintenance of the Project.

A.15 “Utility Limit” means the amount included in the Annual Fee by the Company for the purchase of electricity, including all generation and transmission charges, natural gas, diesel, oil, and gasoline.

APPENDIX B

DESCRIPTION OF PROJECT

Company agrees to provide the services necessary for the management, operation, and maintenance of the following:

1. All equipment, vehicles, grounds, and facilities now existing within the present property boundaries of or being used to operate:

1. Water Treatment Plant and Storage:

1. 1000 gpm Tonka Iron removal plant with Pur-IX water softening system.

2. 130,000 gallon clear well

2. Wastewater Treatment Plant:

1. 0.4MGD Aerated Lagoon

1. All equipment, grounds and facilities now existing within the present property boundaries of the two water tanks.

1. 277,000 gallon storage reservoir

2. 125,000 gallon single pedestal elevated tower at the water plant site

2. All gravity sewers, force mains, and manholes in service on the Commencement Date.

3. Seven (7) Lift Stations

4. All water lines, meters, hydrants, and valves in services on the Commencement Date.

APPENDIX C-1

NPDES PERMIT AND WASTEWATER TREATMENT CHARACTERISTICS

C-1.1 Company will operate so that effluent will meet the requirement of NPDES Permit No. IL0046141 (issued _____), a full and complete copy of which is adopted by reference herein as of the date hereof. Company shall be responsible for meeting the effluent quality requirements of the Permit unless one or more of the following occurs: (1) the wastewater influent does not contain Adequate Nutrients to support operation of Project biological processes and/or contains Biologically Toxic Substances which cannot be removed by the existing process and facilities; (2) dischargers into Owner's sewer system violate any or all regulations as stated in Owner's Industrial Water and Sewer Ordinance(s) or as required by law; (3) the flow or influent CBOD5 and/or suspended solids exceeds the Project design parameters which are 0.400 million gallons of flow per day (MGD) design average flow and 1.0 MGD design maximum flow, 680 pounds of CBOD5 per day monthly average, 800 pounds of suspended solids per day on a monthly average; (4) if the wastewater treatment facility and/or associated appurtenances is inoperable or can operate only at a reduced capacity on account of construction activities, fire, flood, adverse weather conditions, labor disputes or other causes beyond Company's control.

C-1.2 In the event any one of the Project influent characteristics, suspended solids, CBOD5 or flow, exceeds the design parameters stated above, Company shall return the plant effluent to the characteristics required by NPDES in accordance with the following schedule after Project influent characteristics return to within design parameters.

Characteristics Exceeding Design Parameters By Maximum	Recovery Period
10% or Less	5 days
Above 10% Less than 20%	10 days
20% and Above	30 days

Notwithstanding the above schedule, if the failure to meet effluent quality limitations is caused by the presence of Biologically Toxic Substances or the lack of Adequate Nutrients in the influent, then Company will have a thirty (30) day recovery period after the influent is free from said substances or contains Adequate Nutrients.

C-1.3 Company shall not be responsible for fines or legal action as a result of discharge violations within the period that influent exceeds design parameters, does not contain Adequate Nutrients, contains Biologically Toxic Substances or is inoperable, and the subsequent recovery period.

C-1.4 The Annual Fee for services under this Agreement is based upon the following:

Project influent characteristics as best they can be established from the calendar year 2022 as provided:

Flow 0.431 MGD
 BOD5 776 lb/day monthly average
 TSS 621 lb/day monthly average

The above characteristics are the actual seven (12) months' average for the period ending Dec. 31, 2022. Any change of 10 percent (10%) or more in any of these characteristics, based upon a twelve (12) month moving average, will constitute a Change in Scope (See Article 11).

APPENDIX C-2

WATER TREATMENT CHARACTERISTICS

C-2.1 The water treatment plant has the following design characteristics:

A capacity of 1.400 MGD (1000 gpm) of finished water production. The water treatment plant has the capability for post treatment by chlorination and fluoridation. The average daily flow of raw water is 0.372 MGD per day. The actual water quality is difficult to establish from the limited amount of records available.

The raw water has the following characteristics [To be completed within 30 days of contract execution.]

NTU Raw	_____
pH Low	_____
pH High	_____
Alkalinity	_____
Hardness	_____

C-2.2 Company will operate the water treatment plant so that water treated will meet the current Drinking Water Standards.

C-2.3 The daily flows and raw water characteristics set forth in Paragraph C-2.1 are the actual twelve (12) months' average for the period ended December 31, 2022. Any change of ten percent (10%) or more in any of these characteristics, based upon a twelve (12) month moving average, will constitute a Change in Scope (See Article 11).

C-2.4 If any of the following contaminants in the raw water causes the finished water to exceed the Maximum Contaminant Levels (MCL) established for finished water quality, Company will treat the raw water to reduce said contaminant to an acceptable MCL. The cost of any specific treatment will be in addition to the Annual Fee for the treatment required by this Article C-2.4.

Radionuclides	MCL
Radium	5.0 PCi/L
Gross Alpha	15.0 PCi/L

Organic Chemicals

Contaminant	MCL (mg/l)
Alachlor	0.002

Aldicarb	0.003	
Aldicarb Sulfone	0.002	
Aldicarb Sulfoxide	0.004	
Atrazine	0.003	
Benzene	0.005	
Carbofuran	0.04	
Carbon Tetrachloride	0.005	
Chlordane	0.002	
2,4-D	0.07	
Dibromochloropropane (DBCP)	0.0002	0.0002
o-Dichlorobenzene	0.6	
p-Dichlorobenzene	0.075	
1,2-Dichloroethane	0.005	
1,1-Dichloroethylene	0.007	
cis-1,2-Dichloroethylene	0.07	
trans-1,2-Dichloroethylene	0.1	
1,2-Dichloropropane	0.005	
Endrin	0.002	
Ethylbenzene	0.7	
Ethylene Dibromide (EDB)	0.00005	0.00005
Heptachlor	0.0004	
Heptachlor Epoxide	0.0002	
Lindane	0.0002	
Methoxychlor	0.04	
Monochlorobenzene	0.1	
Pentachlorophenol	0.001	
Polychlorinated Biphenyls (PCB)	0.0005	0.0005
Styrene	0.1	
Tetrachloroethylene	0.005	
Toluene	1	
Toxaphene	0.003	
2,4,5-TP (Silvex)	0.05	
1,1,1-Trichloroethane	0.02	
Trichloroethylene	0.005	
Total Trihalomethanes	0.1	
Vinyl Chloride	0.002	
Xylenes (Total)	10	

Inorganic Chemicals

Contaminant	MCL (mg/l)
Arsenic	0.05
Asbestos	7 (million fibers/liter)
Barium	2

Cadmium	0.005	
Chromium	0.1	
Fluoride	4	
Mercury	0.002	
Nitrate	10 (as nitrogen)	
Nitrite	1 (as nitrogen)	
Total Nitrate Nitrite	10	
Selenium	0.05	
Chloride	300	
Copper	1.0	
Fluoride	2.0	
Silver	0.10	
Sulfate	300	
Total dissolved solids (TDS)		1,000
Zinc	5	

C-2.5 Company will provide laboratory services for monitoring only the following contaminants on an as-requested basis. These contaminants do not have an established MCL.

Aldrin	Hexachlorobenzene
Benzo(a)pyrene	Hexachlorocyclopentadiene
Butachlor	3-Hydroxycarbofuran
Carbayl	Methomyl
Dalapon	Metolachlor
Di(2-ethylhexy) adipate	Metribuzin
Di(2-ethylhexyl)phthalate	Oxyamyl (vydate)
Didamba	Pictoram
Dichloromethane	Dieldrin
Dinoseb	Simazine
Diquat	2,3,7,8-TCDD (Dioxin)
Entodhall	1,2,4-Trichlorobenzene
Glyphosate	1,1,2-Trichloroethane

APPENDIX D

INSURANCE COVERAGE

Company shall maintain:

1. Statutory workers' compensation for all Company employees at the Project as required by the State.
2. Commercial general liability insurance, insuring Company' negligence, in an amount of \$3,000,000 combined single limits for bodily injury and/or property damage.
3. Automobile liability insurance for all owned (if any), non-owned and hired automobiles in an amount of \$1,000,000.

Owner shall maintain:

1. Statutory workers' compensation for all of Owner's employees associated with the Project as required by the State.
2. Property insurance on a "special form causes of loss" form or its equivalent for Owner's owned, leased, rented or personal property at replacement cost with business interruption coverage.
3. Automobile liability insurance for all owned (if any), non-owned and hired automobiles in an amount of \$1,000,000.

Each party shall cause the other party to be included as additional insured on the above insurance policies (except workers' compensation) and shall provide the other party at least thirty (30) days' notice of the cancellation of required policies. Each Party shall waive subrogation in favor of the other Party. Additionally, each Party's insurance policies shall waive, or be endorsed to waive, rights of recovery by subrogation in favor of the other Party.

APPENDIX E

ANNUAL FEE ADJUSTMENT FORMULA

Annually until the expiration or earlier termination of this Agreement, the Annual Fee (and the Maintenance and Repair Limit and Chemical and Utility Limits included therein) shall be adjusted each year, such adjustment becoming effective on January 1st of each year. The Escalation Factor is comprised of the following:

The year-to-year change in the Employment Cost Index ("ECI") as published by the United States Department of Labor, Bureau of Labor Statistics Not Seasonally Adjusted, Compensation-Private industry workers in Utilities, Series ID: CIU2014400000000I.

For purposes of this Agreement, the indices applicable to calculation of the Escalation Factor shall be the indices published in Q4 or December of each year.

In no event shall the Annual Fee be reduced by application of the adjustment formula.






Sangamon Valley VEOLIA CONTRACT

Final Audit Report

2023-04-06

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By:	Brooke Morris (brooke.morris@veolia.com)
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2023-04-06 - 4:36:10 PM GMT- IP address: 136.226.58.206
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2023-04-06 - 4:37:00 PM GMT
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2023-04-06 - 5:42:25 PM GMT- IP address: 66.102.8.110
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