

consisting of various water conservation initiatives which participants (“Participants”) may choose to participate in to earn points towards eligibility for a water conservation rebate payment;

WHEREAS, the Board desires to continue the Program for the calendar year 2019, as detailed below;

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF NORTH FORT BEND WATER AUTHORITY THAT:

Section 1. Findings. Each of the recitals stated in this Resolution are hereby adopted as a finding of the Board.

Section 2. Program Term. This Resolution shall govern the Program for the period from January 1, 2019, through December 31, 2019 (the “2019 Program Term”).

Section 3. Program Enrollment. The 2019 Program Guide, attached hereto as **Exhibit A** (the “2019 Program Guide”), contains detailed descriptions of the Program Initiatives that the Authority is offering for the 2019 Program Term, as well as the Program participation points allocated to each Initiative. Participants desiring to participate in the Program shall review the 2019 Program Guide and submit the Program enrollment form (the “2019 Program Enrollment Form”), attached hereto as **Exhibit B**, to the Authority by December 31, 2018, indicating which Initiatives the Participant plans to participate in during the 2019 Program Term.

Section 4. Water Conservation Rebate Payment. In exchange for meeting the goal and data submission requirements for each Initiative, Participants may earn points towards eligibility for a water conservation rebate payment in the amount of \$0.10 per 1,000 gallons (the “Water Conservation Rebate Payment”) of water pumped from well(s) or received from the Authority on which an Authority GRP Fee or Surface Water Fee (as such terms are used in the Authority’s Amended Rate Order) would be charged by the Authority, as based on that Participant’s 2020 reported usage for the applicable usage period set forth in the table in Section 6 below. In order to be eligible for the Water Conservation Rebate Payment, each municipal utility district and city Participant must earn at least **nine (9) points** (the “Points Requirement”). Homeowners Associations and Groundwater Reduction Plan Participants will be evaluated on a case by case basis for point requirements. No points will be awarded for partially meeting the goal and data submission requirements for the Program.

Section 5. Program Participation. In order to qualify for the Water Conservation Rebate Payment, Participants in the Program must use their best efforts to: i) implement the Initiatives in the manner set forth in the 2019 Program Guide, ii) meet the goal requirements set forth for each Initiative in the 2019 Program Guide, and

iii) provide any data required to be submitted to the Authority in conjunction with each Initiative by the deadlines provided in the 2019 Program Guide. If a Participant is selected by the Authority to receive a Homeowner Association/Golf Course irrigation system evaluation and water budget (“HOA/Golf Course Irrigation Evaluation and Water Budget”), the Participant must execute a Consulting Services Agreement, in the form attached hereto as **Exhibit C**, with the Authority and a professional service provider approved by the Authority, as detailed in the 2019 Program Guide. Participants must meet the point requirement set forth in Section 5 during the 2019 calendar year to receive the water conservation rebate payment.

Section 6. Water Conservation Rebate Payment Administration. Each Participant must: i) meet the goal for each Initiative according to the requirements of the 2019 Program Guide, and ii) submit all required data to the Authority by the deadlines set forth in the 2019 Program Guide. Upon receipt of all necessary documentation for Program compliance, the Authority will review the data submitted and determine, in the Authority’s sole and reasonable discretion, the number of points each Participant has earned for Initiatives completed. The Authority shall make such determination by March 1, 2020. Each Participant is encouraged to maintain regular communication with the Authority throughout the 2019 Program Term to ensure that the Participant is submitting the quality and type of data necessary for the Participant to obtain the number of points anticipated by the Participant. If a Participant has fulfilled the Point Requirement for the 2019 Program Term, the Authority shall use reasonable efforts to award the Water Conservation Rebate Payment to the Participant in four installments on the dates set forth below (each a “Water Conservation Rebate Payment Award Date”):

Usage Period	Water Conservation Rebate Payment Award Date
January 1, 2020-March 31, 2020	June, 2020, Regular Board of Directors Meeting
April 1, 2020-June 30, 2020	September, 2020, Regular Board of Directors Meeting
July 1, 2020-September 30, 2020	December, 2020, Regular Board of Directors Meeting
October 1, 2020-December 31, 2020	March, 2021, Regular Board of Directors Meeting

The Authority reserves the right, in its sole and reasonable discretion, to adjust any Water Conservation Rebate Payment Award Date. While each Participant is encouraged to complete as many Initiatives as desired, Participant shall not receive any additional compensation or payment from the Authority for earning points in excess of the Point Requirement. Participants shall not be eligible for any portion of the Water Conservation Rebate Payment in the event that Participant: i) fails to meet the Point Requirement (as determined in the sole and reasonable discretion of the Authority); or ii) withdraws from the Program prior to completion of the 2019 Program Term. The Authority shall have no financial obligation to the Participants for Program participation other than payment of the Water Conservation Rebate Payment and contribution to certain Initiatives as set forth in the 2019 Program Guide and associated

agreements detailing the terms and conditions of the Authority's participation in such Initiative.

Section 7. The President and Secretary of the Board, the Authority's engineers, the Authority's operators, and the Authority's attorneys are authorized and directed to do any and all things necessary and proper in furtherance of the Program.

PASSED AND APPROVED this 26th day of September, 2018.

President, Board of Directors

ATTEST:

Secretary, Board of Directors

(SEAL)

CERTIFICATE FOR RESOLUTION

THE STATE OF TEXAS §
COUNTIES OF FORT BEND AND HARRIS §

I, the undersigned officer of the Board of Directors of the North Fort Bend Water Authority, do hereby certify as follows:

1. The Board of Directors of the North Fort Bend Water Authority convened in regular session on the 26th day of September, 2018, inside the boundaries of the Authority, and the roll was called of the members of the Board:

Peter Houghton	President
Robert Patton	Vice President
Melony Gay	Secretary
David Spell	Assistant Secretary
Robert Darden	Assistant Vice President
Bruce Fay	Assistant Secretary
Pat Hebert	Assistant Secretary

and all of said persons were present except Director(s) _____, thus constituting a quorum. Whereupon, among other business, the following was transacted at the meeting: a written

RESOLUTION ESTABLISHING THE 2019 LARRY’S TOOLBOX
WATER CONSERVATION PROGRAM

was introduced for the consideration of the Board. It was then duly moved and seconded that the resolution be adopted; and, after due discussion, the motion, carrying with it the adoption of the resolution, prevailed and carried unanimously.

2. A true, full, and correct copy of the aforesaid order adopted at the meeting described in the above and foregoing paragraph is attached to and follows this certificate; the action approving the order has been duly recorded in the Board’s minutes of the meeting; the persons named in the above and foregoing paragraph are the duly chosen, qualified, and acting officers and members of the Board as indicated therein; each of the officers and members of the Board was duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of the aforesaid meeting, and that the order would be introduced and considered for adoption at the meeting, and each of the officers and members consented, in advance, to the holding of the meeting for such purpose; the meeting was open to the public as required by law; and public notice of the time, place, and subject of the meeting, and consideration of the use of eminent domain was given as required by Chapter 551, Texas Government Code, Chapter 2206, Texas Government Code, and Section 49.063, Texas Government Code.

SIGNED AND SEALED the 26th day of September, 2018.

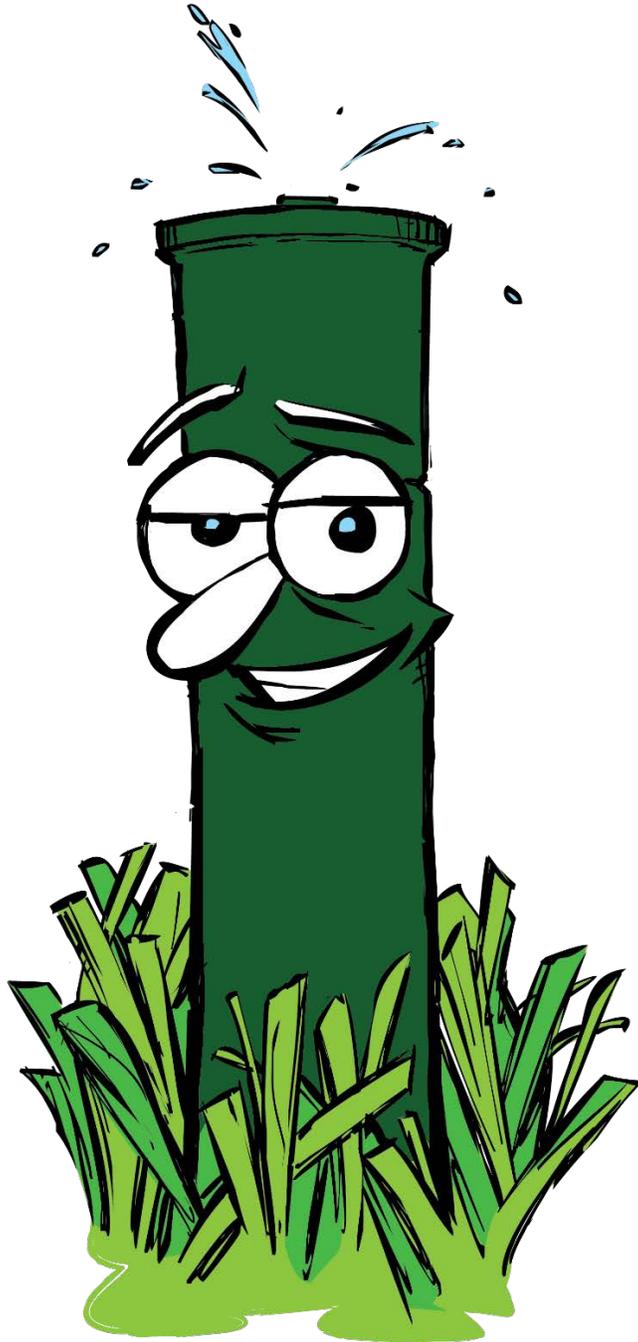
Secretary, Board of Directors

(SEAL)

EXHIBIT A
2019 PROGRAM GUIDE DOCUMENT

Larry's Toolbox Water Conservation Program

2019 Program Guide



Larry the Talking Sprinkler®

Background

A study by the North Fort Bend Water Authority (the "Authority") determined that if water users within the Authority reduce their water usage by 15% before 2040, construction of over \$400 million worth of additional surface water infrastructure may be avoided. The Authority has created the Larry's Toolbox Water Conservation Program (the "Program") to assist in meeting this 15% reduction goal.

Water Conservation "Toolbox"

Reducing users' overall water usage through water conservation must be a community effort. As part of the Program, the Authority has created several different conservation initiatives for Program participants (the "Participants"). Participants choose to enroll in the initiatives they want to implement within their boundaries. For each initiative a Participant enrolls in and successfully implements, the Participant will receive a designated number of points toward the incentive goal (the "Incentive Goal"). The Program is voluntary; there is no obligation to implement any of the initiatives in this document nor is there a penalty for failing to complete any initiative.

If a Participant receives the number of points required to meet the Incentive Goal, as outlined in this 2019 Larry's Toolbox Program Guide (the "2019 Program Guide"), then they will receive a rebate for their groundwater pumpage and surface water delivery (the "Incentivized Rate") the following year in the amount of \$0.10 per 1,000 gallons of water. The rebate is based on that Participant's 2020 reported usage for the applicable usage period set forth in the Authority's Resolution Establishing the 2019 Larry's Toolbox Water Conservation Program (the "Resolution").

In accordance with the Resolution, all Participants who choose to participate will be required to submit an enrollment form indicating the initiatives that they have selected to complete. Enrollment forms for the 2019 Program will be due December 31, 2018. Enrollment forms received after December 31, 2018, will not be accepted by the Authority.

Program Initiatives

The 2019 Program initiatives (each an "Initiative" and collectively the "Initiatives") are set forth below. Many of the Initiatives were recommended by a water conservation committee made up of volunteer constituents from within the Authority's boundaries. The Initiatives may change from year to year in an effort to provide the most efficient and economical water conservation practices. **The Initiatives will not change from January 1, 2019, to December 31, 2019 (the "Program Term").** After the Program Term, if it is determined that an Initiative is not effective, it may be removed from the Program, and new Initiatives may be added. The Authority may also adjust, in its sole discretion, the number of points awarded to an Initiative for subsequent years. For Initiatives that received points for multiple terms, Participants should refer to the guide document for the year in which Participant initially enrolled to determine points.

An updated program guide will be provided by the Authority in the fall of each year to discuss changes for the following year, program successes, and possible program improvements.

Each Initiative in the 2019 Program Guide includes a fact sheet detailing:

2019 Larry's Toolbox Program Guide

- Description of the Initiative;
- Purpose of the Initiative;
- Metrics used to evaluate the success of each Initiative;
- Materials and services to be provided by the Authority to the Participant;
- Anticipated data required of the Participant;
- Anticipated time contribution of the Participant and/or its consultants; and
- Requirements to receive the specified points.

The 2019 Initiatives are:

- W.I.S.E. Guys Resident Irrigation Evaluations;
- Residential Water Conservation Rebates;
- High Water User Notifications;
- Conservation Information;
- Native and Adaptive Plant Outreach;
- Homeowner Association/Golf Course Irrigation System Evaluation and Water Budget;
- Effective Tiered Water Rates;
- Rain Barrels;
- Smart Technology;
- Irrigation Permits; and
- Other Water Conservation Programs.

Program Participants

For each Initiative a Participant enrolls in, the Participant will be required to cooperate with the Authority on the implementation of that Initiative to receive points. Each Initiative requires a different level of commitment from the Participant, as outlined in the Initiative fact sheets.

To ensure each Initiative is effective in promoting water conservation and management, Participants will be required to provide specific data requested by the Authority regarding the Initiatives. Data will be used to quantify water savings and assist the Authority in performing an analysis of costs versus savings performance.

Data will be collected monthly by the Authority. Progress updates are available from the Authority upon request. If an Initiative has not been completed by December 31, 2019, the Participant will not receive points for that Initiative.

Incentive Goal

Each Initiative has been assigned a specific number of points that will count towards the Incentive Goal. A Participant will receive the Initiative points if it successfully implements the Initiative. A participating municipal utility district ("MUD") or City must achieve **nine (9) points** to receive the Incentivized Rate.

2019 Larry's Toolbox Program Guide

Homeowners associations (“HOAs”) and other Groundwater Reduction Plan (“GRP”) Participants that own an Authority-permitted well should contact the Authority for point requirements.

Fact Sheet: Resident Irrigation System Evaluation

Description

The Resident Irrigation System Evaluation will provide residents with a comprehensive evaluation of their irrigation system to identify leaks and inefficiencies, locate broken or malfunctioning equipment, and provide general irrigation system maintenance information. The Resident Irrigation System Evaluation must be performed by an Authority-approved licensed irrigator, and there is no obligation to make the repairs recommended by the irrigator.

Purpose

Outdoor irrigation accounts for up to 70% of residential water usage. The purpose of this Initiative is to provide residents with a free evaluation of their irrigation systems to reduce per capita water demand. The irrigator will provide recommendations and general information that can greatly reduce outdoor water usage.

Metrics

The success of this program will be measured by the number of residents who receive Resident Irrigation System Evaluations under the Initiative.

Materials and Services Provided by the Authority

1. The Authority will pay the administrative fee.
2. The Authority will pay for half of the cost of each Resident Irrigation System Evaluation and pay for any associated incentives.
3. The Authority will provide bill inserts to advertise the Initiative.
4. The Authority will provide language promoting the Initiative that may be included on bills or in community newsletters.
5. The Authority will track the number of evaluations performed during the Program Term.

Anticipated Data Required by Participant

1. The number of bill inserts needed for distribution to residents.

Participant Anticipated Time and Cost Contribution

1. The operator's time to include the bill inserts in the water bills.
2. Participant pays for half of each Resident Irrigation System Evaluation, currently \$32.50 per evaluation.

Points

1. The Initiative will be assigned two (2) points towards the total Incentive Goal.
2. To receive the points, **2.25%** of all residential connections as of January 1, 2019, must receive Resident Irrigation System Evaluations within the Program Term. Please note that residents are allowed one evaluation per calendar year.

Fact Sheet: Resident Water Conservation Rebates

Description

The Resident Water Conservation Rebates Initiative utilizes rebates to encourage residents to implement Authority-approved upgrades and repairs to residential irrigation systems and indoor plumbing fixtures. The Participant will provide rebates, with certain restrictions, to eligible residents for 50% of the cost of the residents' upgrade/repair(s). To receive the rebate, the resident must either: 1) submit the rebate form, available on the Authority's website, to the Authority with the receipt for the upgrade/repair(s), and the Authority will then confirm that the upgrade/repair(s) were made and submit the resident's Rebate Form and receipt to the Participant's operator for payment in the form of a bill credit; or 2) submit the Rebate Form to the Participant for processing. Participants that choose to process their own rebates must submit proof that the upgrade/repairs were made to the Authority, and copy the Authority on all rebate-related communications with residents.

Purpose

The purpose of this Initiative is to encourage residents to upgrade or replace irrigation equipment with more efficient system components, and/or install high efficient appliances and/or fixtures.

Metrics

The success of this Initiative will be measured by the number of rebates issued.

Materials and Services Provided by the Authority

1. The Authority will provide the rebate form via: www.talkingsprinkler.com/toolbox.
2. The Authority will track the rebates issued by Participant during the Program Term.
3. The Authority will provide bill inserts to promote the Initiative.

Anticipated Data Required by Participant

1. Confirmation that each participating resident's bill was credited with the rebate and the rebate amount.
2. The number of bill inserts needed for distribution to residents.

Participant Anticipated Time and Cost Contribution

1. The Participant must fund the rebates.
2. The operator's time to process the bill credit.

Points

1. The Initiative will be assigned three (3) points towards the total Incentive Goal.
2. To receive the points, the Participant must distribute the following amounts during the Program Term:
 - a. <1,000 equivalent single-family connections: \$400
 - b. >1,000 equivalent single-family connections: \$600

Fact Sheet: High Water User Notification

Description

The High Water User Notification Initiative requires the Participant to notify its high water use residents of their high water usage. High water users can be classified as either users that consume more than an allotted amount of water per month or users that are the top percentage of water usage within the Participant's boundary for a given month.

Purpose

The purpose of this Initiative is to promote awareness to residents that have above average water usage.

Metrics

The success of this Initiative will be measured by a decrease in the number of customers who consume more than the top gallon threshold amount per month or a decrease in the amount of water the top percentage of users consume per month.

Materials and Services Provided by the Authority

1. The Authority will provide a form notification letter that Participants may utilize to notify the high water users.
2. If requested, the Authority will provide technical assistance to the Participants to determine the gallon threshold or percentage that will be used for notification.

Anticipated Data Required by Participant

1. The monthly water usage of the high water users each month and the number of users notified of their high water usage.

Participant Anticipated Time and Cost Contribution

1. The consultant's time to determine the gallon threshold or percentage for high water usage.
2. The operator's time to identify the high water users.
3. The consultant's time to mail notification letters to the high water users.

Points

1. The Initiative will be assigned two (2) points towards the total Incentive Goal.
2. In order to receive the points, the Participant must submit proof of the high water user monthly notification letters to the Authority. This can be done by providing the number of users and their associated usage per month during the Program Term.

Fact Sheet: Conservation Information

Description

The Authority will provide conservation messages consisting of short and concise tips and facts that the Participant must print on its water bills during a specific month. Participants must receive approval from the Authority to distribute the conservation messages via media forms other than the water bill or to use different conservation messages than the ones provided by the Authority. Participants must also include at least one year of historical water usage data on each residents' monthly water bill. Upon request, the Authority will also provide conservation information to the Participants to include on their websites or other media platforms.

Purpose

The purpose of this Initiative is to provide water conservation information directly to residents.

Metrics

The success of this Initiative will be measured by the number of conservation messages that are printed on Participants' water bills, websites, social media, etc.

Materials and Services Provided by the Authority

1. The Authority will provide conservation information and conservation bill messages.

Anticipated Data Required by Participant

1. Confirmation that the Participant printed the conservation messages on its water bills or sent to residents via another Authority-approved method.
2. Confirmation that the Participant included monthly historical water usage data on residents' monthly water bills.

Participant Anticipated Time and Cost Contribution

1. The consultant's time to print the conservation messages on bills and prepare historical water usage data for each resident.

Points

1. The Initiative will be assigned one (1) point toward the total Incentive Goal.
2. To receive the point, the Participant must provide proof to the Authority that the conservation information detailed above was distributed to its residents as required.

Fact Sheet: Native and Adaptive Plant Outreach

Description

The Native and Adaptive Plant Outreach initiative will assist Participants in providing educational information, exhibits, and resources to residents who want to incorporate native and adaptive plants in their existing landscaping. Participants must choose an option below:

1. Partner with a local nursery to offer rebates to residents who retrofit their landscaping with native and adaptive plants;
2. Partner with a horticulturalist, botanist, or master gardener to hold a native and adaptive plant seminar for residents;
3. Retrofit an existing green space within the Participant's boundary with native and adaptive plants;
4. Retrofit landscaping at community centers, playgrounds, or other public spaces to native and adaptive plants; or
5. Provide signage along walking paths within communities that details the nomenclature and other information of existing native and adaptive plants.

Purpose

The purpose of this Initiative is to educate residents on native and adaptive plants. After native and adaptive plants are properly established, they require less water throughout the year while maintaining the aesthetics of the community.

Metrics

The success of this Initiative will be measured by the Participant's efforts to promote native and adaptive plants and the increase in native and adaptive plants within the Participant's boundary.

Materials and Services Provided by the Authority

1. Upon request, the Authority will provide information to Participants on native and adaptive plants and related design techniques, installment methods, and proper management for overall plant health, vigor, and reduced water usage.
2. If Participant holds a native and adaptive plant event or seminar, the Authority will attend and provide educational materials and/or the Authority's mobile learning lab.

Anticipated Data Required by Participant

1. Documentation necessary to confirm that the Initiative requirements were met.
2. If Participant holds a native and adaptive plant event or seminar, the Participant must provide a list of attendees, pictures from the event, speaker information and title, and include the Authority on the invitation.
3. If Participant retrofits an existing green space, the Participant must provide a list of the items installed, pictures of the green space before and after installation of native and adaptive plants, and information on watering methods designed to reduce water consumption.

Participant Anticipated Time and Cost Contribution

1. The consultant's time to carry out the selected project or activity.
2. The costs associated with the selected project or activity.

Points

1. The Initiative will be assigned two (2) points toward the total Incentive Goal.

Fact Sheet: Homeowners Association/Golf Course Irrigation System Evaluation and Water Budget

Description

The Authority will provide a free irrigation system evaluation and water budget for up to five (5) Homeowner Associations (“HOAs”) and/or Golf Courses during the Program Term (the “HOA/Golf Course Irrigation Evaluation and Water Budget”). The Authority will choose the five recipients at random from among the Participants that have requested funding on their Enrollment Forms due December 31, 2018. Each Participant selected to receive an HOA/Golf Course Irrigation Evaluation and Water Budget must obtain a proposal in the Participant’s name from an Authority-approved vendor, and submit the proposal to the Authority for approval. The Participant must also enter into a Consulting Services Agreement (the “CSA”) between the Participant, the Authority, and the Authority-approved vendor. Once the proposal is approved by the Authority, the Participant must coordinate with the HOA/Golf Course to schedule the HOA/Golf Course Irrigation Evaluation and Water Budget and then submit the final report and invoice to the Authority. The Authority will pay the invoice(s) in accordance with the CSA. The HOA/Golf Course Irrigation Evaluation and Water Budget must, at minimum, include:

- A map identifying each irrigation meter, the associated irrigation controller to that irrigation meter, and the backflow prevention device location;
- A record of the meter size and meter number of every irrigation meter;
- An evaluation report with specific recommendations for each irrigation meter that includes:
 - Information that identifies the irrigation problems and include recommendations for needed repairs and/or modifications (heads, valves, rain sensor, etc.);
 - A review of the control settings and an evaluation of the type of irrigation being used in different irrigation zones (sprays vs. rotors vs. drip, for example); and
 - A review of the meter’s pressure regulation, any recommendations for upgraded controllers that account for evapotranspiration, and all monthly watering recommendations.
- A water budget report created for all irrigation meters that includes:
 - An annual water budget for each identified meter;
 - An explanation of the purpose and methodology used to create the water budget; and
 - An outline of recommendations on how the Participant can water within the water budgets.
- Participants must provide monthly water usage data for the three-year period prior to the Program Term (if available).

Each Participant can only receive one Authority-funded evaluation and water budget per Program Term. Participants not selected to receive an Authority-funded HOA/Golf Course Irrigation Evaluation and Water Budget may fund their own and submit the final report to the Authority to receive two points plus one (1) additional point toward the Incentive Goal. Participants funding their own HOA/Golf Course Irrigation Evaluation and Water Budget must use an Authority-approved vendor. After a Participant has received an approved HOA/Golf Course Irrigation Evaluation and Water Budget, the Participant is eligible to continue

receiving points for the 2020 Program Term, so long as the Participant can demonstrate to the Authority in a compiled report that they are making the recommended repairs and keeping up with routine maintenance and working towards hitting the monthly targeted watering amount.

Purpose

The purpose of this Initiative is to ensure HOAs/Golf Courses have efficient irrigation systems.

Metrics

The success of this Initiative will be measured by a reduction in water usage by the participating HOAs/Golf Courses.

Materials and Services Provided by the Authority

1. The Authority will provide the approved list of vendors to perform the HOA/Golf Course Irrigation Evaluation and Water Budget. If the Participant would like to use someone not included on this list, they may submit the vendor's qualifications to the Authority for approval. The Participant must receive Approval from the Authority before moving forward with the evaluation and water budget.
2. The Authority will fund up to five HOA/Golf Course Irrigation Evaluation and Water Budgets during the Program Term.

Anticipated Data Required by Participant

1. The final HOA/Golf Course Irrigation Evaluation and Water Budget report from an Authority approved vendor.
2. If a Participant would like to continue receiving points for the HOA/Golf Course Irrigation Evaluation and Water Budget for the 2020 Program Term, historical and current water usage data must be submitted as required by the Authority in a report along with a list of the recommended repairs, maintenance, and upgrades that have been made in those subsequent years.

Participant Anticipated Time and Cost Contribution

1. The Participant's time to coordinate with the HOA or Golf Course on the HOA/Golf Course Irrigation Evaluation and Water Budget.
2. The Participant's consultant's time to provide the required data to the Authority.

Points*

1. The Initiative will be assigned two to three (2-3) points towards the total incentive goal. Please see the attached flow chart to determine the exact number of points. The points for this Initiative are available to the Participant for one (1) year following the HOA/Golf Course Irrigation Evaluation and Water Budget so long as the Participant continues to maintain the system as described in the final evaluation report and provides the Authority the required data to demonstrate continued maintenance and efforts towards meeting monthly watering recommendations, as well as any recommended repairs and upgrades made by the Participant.
2. For those Participants funding their own HOA/Golf Course Irrigation Evaluation and Water Budget, the Participants must submit to the Authority the final report from an Authority-approved

2019 Larry's Toolbox Program Guide

vendor along with the receipt for any follow up repairs. These Participants are eligible for points for one (1) year following the initial HOA/Golf Course Irrigation Evaluation and Water Budget if all information required by the Authority is provided each year.

3. The Participant may only submit one HOA/Golf Course Irrigation Evaluation and Water Budget per Program Term. Participant will not receive points for performing additional HOA/Golf Course Irrigation Evaluation and Water Budgets during the Program Term.

** Each entity participating in this Initiative may only be awarded points once per Program Term. If an HOA/Golf Course is the Participant in this Initiative, the points will be awarded directly to the HOA/Golf Course. If a MUD/City is the Participant in this Initiative, and the HOA/Golf Course is within the MUD/City boundaries, then the points will be awarded to the MUD/City. At least 20% of the Participant's service area must be contained in the HOA or Golf Course selected to receive the HOA/Golf Course Irrigation Evaluation and Water Budget.*

Fact Sheet: Effective Tiered Water Rates

Description

The Effective Tiered Water Rates Initiative requires the Participant to evaluate its historical data to set *effective* tiered water rates to curtail high water usage. The Participant may use either: i) the America Water Works Association (the "AWWA") Manual M1, *Principles of Water Rates, Fees and Charges*, Chapter 4: Rate Design and Appendix C: Bill Tabulation Methodology; or ii) the Alliance for Water Efficiency (the "AWE") Sales Forecasting and Rate Model. Average usage data and rate comparison studies will not be accepted.

Purpose

The purpose of this Initiative is to implement effective tiered water rates that promote water conservation and to determine if current water rates are deemed effective in water management.

Metrics

The success of this Initiative will be measured by a reduction in water used by the customers in top tiers of the water rates.

Materials and Services Provided by the Authority

1. The Authority will assist the Participants in creating effective tiered water rates, as requested.
2. The Authority will provide historical weather data to the Participants for the AWE Sales Forecasting and Rate Model.

Anticipated Data Required by Participant

1. The Participant must provide the Authority with a summary of the Participant's AWWA Manual M1 analysis or AWE Sales Forecasting and Rate Model output.
2. The Participant must provide the Authority with the new Rate Order containing the effective tiered water rates.
3. The Participant must adopt the new Rate Order with the effective tiered water rates during the Program Term.
4. The Participant must provide the Authority with monthly water usage data for customers in the top tiers during the Program Term.
5. The Participant must provide the Authority the monthly water usage data for the Homeowners Associations (HOAs) within their area and their corresponding water rate. This rate must promote water conservation.

Participant Anticipated Time and Cost Contribution

1. The Participant's consultant's time to perform the AWWA Manual M1 analysis or AWE Sales Forecasting and Rate Model analysis.

Points

1. Participants that adopt a qualifying new Rate Order during the 2019 Program Term will receive two (2) points towards the incentive goal. The Participant must demonstrate that its single-family residence and HOA tiered water rates both effectively promote water conservation, and satisfy, in the Authority's sole discretion, the Initiative's purpose and requirements.
2. The points for this Initiative will be awarded through the 2021 Program Term upon successful completion of the Initiative during the 2019 Program Term.

Fact Sheet: Rain Barrels

Description

This Initiative will promote the use of rain barrels by Participant's residents. Rain barrels allow residents to capture run off from their houses and use it for irrigation or other non-potable uses. The Participant may choose how to implement the Initiative - offering residents a rebate for installing a rain barrels at their homes, or giving rain barrels away as prizes at community events, etc. If a Participant chooses to offer a rebate program, participating residents must fill out a rebate form (available from the Authority's website) and submit the form to the Participant with a receipt for the rain barrel. Note: Rain barrel placement may be subject to HOA rules and regulations.

Purpose

The purpose of this Initiative is to promote water conservation among residents.

Metrics

The success of this Initiative will be measured by the number of rain barrels installed.

Materials and Services Provided by the Authority

1. For Participants that choose to implement a rain barrel rebate program, the Authority will provide the rebate forms via: www.TalkingSprinkler.com/toolbox, and will provide bill inserts upon request to notify residents of the rain barrel rebate program.

Anticipated Data Required by Participant

1. The number of rebates issues or the number of rain barrels installed.

Participant Anticipated Time and Cost Contribution

1. For Participants that choose to implement a rain barrel rebate program, the Participants must fund the rebates.
2. For Participants that choose to give away rain barrels to residents, the Participants must purchase the rain barrels.

Points

1. The Initiative will be assigned one (1) point towards the total incentive goal.
2. To receive points for this Initiative, a minimum of five (5) rebates must be distributed or a minimum of five (5) rain barrels must be given away. Members of the governing body for the Participant are not eligible.

Smart Technology

Description

This initiative will utilize “Smart Technology” water meters, leak sensors, smart phone applications, and online usage-tracking tools (collectively, “Smart Technology”) to make residents more aware of their usage trends. Participants that utilize Smart Technology can reduce or eliminate manual meter reading, streamline billing, notify residents of potential leaks, and educate residents on ways to reduce water consumption. This Initiative is structured to accommodate the variations in each Participants size, financial situation, and composition of residential and commercial meters. The technologies featured in this program includes:

- Automatic Meter Reading (AMR) – Participant installs AMR equipment and collects drive-by meter readings once a month.
- Advanced Metering Infrastructure (AMI) – Participant installs AMI equipment and collects remote readings hourly.
- Customer Portal – Participant provides its residents with a smart phone application or other interactive online tool that allows residents to review their individual water usage information. The Customer Portal must provide residents with average usage in their service area, historical water trends, and tips to conserve water. Participants are encouraged to provide residents with the ability to receive notifications regarding when usage exceeds a set amount, when there might be a leak within their system, and times of high usage.
- Outreach Program – Participant creates a program to accompany any Smart Technology equipment or tools, and requires informing residents of the new Smart Technology through community meetings, social media posts, bill inserts, website posts, etc.

Purpose

The purpose of this Initiative is to allow residents to obtain more information on their water usage and reduce water consumption.

Metrics

The success of this Initiative will be measured by the percentage of a Participant's area with access to Smart Technology equipment and online tools.

Materials and Services Provided by the Authority

1. The Authority is available to answer questions about Smart Technology and provide references for Smart Technology vendors.

Anticipated Data Required by Participant

1. Participants must provide the Authority a report of their Smart Technology program including: previously implemented Smart Technology equipment and tools, a projected schedule for future implementation of Smart Technology equipment and tools, the cost of the Participant's Smart Technology program, number of residents per Program Term with access to the Smart Technology, and a copy of any applicable contracts.
2. Historical usage data to determine if new Smart Technology has affected residents' water usage.

Participant Anticipated Time and Cost Contribution

1. The Participant must pay for all costs associated with implementation of the Smart Technology equipment and tools.

Points

1. The points for this initiative vary based on the type and amount of Smart Technology implemented by the Participant. Generally, to receive the points identified below, a minimum of 20% of the residents within the Participant's boundary must have access to the Smart Technology equipment and tools by the end of the Program Term. Participants should contact the Authority if there are circumstances that prevent the 20% threshold from being met.
 - a. AMR – One (1) point
 - b. AMI – Two (2) points
 - c. Customer Portal – Two (2) points
 - d. Outreach Program – One (1) point

Fact Sheet: Irrigation Permits

Description

Under this Initiative, Participants must implement certain requirements for new irrigation systems within their boundaries. Pursuant to Texas Commission of Environmental Quality (“TCEQ”) Title 30, Texas Administrative Code Chapter 344, the Authority has prepared an ordinance requiring all **new** irrigation systems to be permitted and inspected by a licensed irrigator. Participation in this Initiative is voluntary. The Authority will run the Initiative and coordinate with a consultant to implement the permit and inspection process. The Participants must inform the Authority of any irrigation systems that are installed within their boundaries without an irrigation permit and irrigation inspection.

Purpose

The purpose of this Initiative is to ensure irrigation systems are being installed in compliance with TCEQ standards.

Metrics

The success of this Initiative will be measured by the number of irrigation systems permitted and inspected.

Materials and Services Provided by the Authority

1. The Authority will prepare the irrigation permit ordinance.
2. The Authority will contract with a consultant to issue the irrigation permits and perform the irrigation inspections.

Anticipated Data Required by Participant

1. Participant must notify the Authority of any irrigation systems installed within its boundaries without an irrigation permit and irrigation inspection.

Participant Anticipated Time and Cost Contribution

1. Notify the Authority of any irrigation systems that are installed within their boundaries without an irrigation permit and irrigation inspection.

Points

1. The Initiative will be assigned two to five (2-5) points towards the total incentive goal.

Percent Developed	Points
75%-99%	2
50%-74%	3
25%-49%	4
<25%	5

2. To receive the points, the Participant must inform the Authority of any irrigation systems installed within its boundaries without an irrigation permit and irrigation inspection. An online system designed by the Authority will determine if the Initiative is being implemented as specified in the Authority’s ordinance.

2019 Other Water Conservation Programs Initiative

Description

Participants currently implementing, or that plan to implement, programs that promote water conservation that do not fit one of the ten (10) existing Initiatives may submit the program to the Authority for additional points. For example, Participants may apply to receive points for implementing programs such as:

1. The Fort Bend Subsidence District's WaterWise program;
2. Irrigation System Mapping, provided the Participant does not have as-builts from development;
3. Educational programs for local schools and organizations;
4. Irrigation system upgrades and modifications within the District or HOA landscaping beds; or
5. Other programs the Participant can demonstrate promote water conservation.

Purpose

The purpose of this Initiative is to allow residents to receive points for programs that promote water conservation but do not fit in to the 2019 Larry's Toolbox Program's ten (10) existing Initiatives.

Metrics

The success of this Initiative will be measured by the effort put forth by the Participant to implement the chosen program.

Materials and Services Provided by the Authority

The Authority will evaluate programs submitted by the Participants and determine the number of points awarded to each program.

Anticipated Data Required by Participant

Participants must provide the Authority all requested data, pictures, program details, implementation schedule, and other relevant information to show the success of the chosen program.

Participant Anticipated Time and Cost Contribution

The Participant must pay for all costs associated with implementation of the chosen program.

Points

The points for this initiative vary based on the Authority's evaluation of the chosen program. The number of points assigned will depend on the cost of the program, the amount of effort involved in carrying out the chosen program, the number of residents the program impacts, and the impact the chosen program has on water conservation.

Point Matrix

Incentive Goal

Each Initiative has been assigned a specific number of points that will count towards the Incentive Goal. A Participant will receive points for each successfully implemented Initiative, as determined by the Authority. A participating MUD or City must achieve **nine (9) points** to receive the Incentivized Rate. HOAs should contact the Authority for point requirements. Participants enrolling in the Authority-funded HOA Irrigation System Evaluation and Water Budget Initiative should include alternative Initiatives and points below if they are not selected for that Initiative. Note: Enrollment Forms are due **December 31, 2018**. **Forms received after December 31, 2018 will not be accepted.**

Points	Initiative	Participation Points
2	Resident W.I.S.E Guys Irrigation System Evaluation	
3	Resident Water Conservation Rebates	
2	High Water User Notifications	
1	Conservation Information	
1	Native and Adaptive Plant Outreach	
2	HOA/Golf Course Irrigation Evaluation and Water Budget funded by the NFBWA *	
3	HOA/Golf Course Irrigation Evaluation and Water Budget funded by the HOA or MUD	
2	Effective Tiered Water Rates	
1	Smart Technology – AMR	
2	Smart Technology – AMI	
2	Smart Technology –Customer Portal	
1	Smart Technology –Outreach Program	
1	Rain Barrels	
2	Irrigation Permits 75% - 99% developed	
3	Irrigation Permits 50% - 74% developed	
4	Irrigation Permits 25% - 49% developed	
5	Irrigation Permits <25% developed	
TBD	Other Water Conservation Initiative	
	TOTAL POINTS	

*If Participant is not chosen to receive an Authority-funded Evaluation and Water Budget, please indicate which initiative (if any) will be implemented as an alternative to reach the Incentive Goal.

EXHIBIT B
2019 ENROLLMENT FORM



2019 LARRY’S TOOLBOX PROGRAM ENROLLMENT FORM

1. Participant Name: _____
2. Participant Main Contact Name and Email: _____
3. Participant’s Attorney Name and Email: _____
4. Participant’s Legal Assistant Name and Email: _____
5. Participant’s Operator Name and Email: _____
6. Additional Larry’s Toolbox Contact (if any) Name and Email: _____

Please submit the completed form to the Authority c/o Whitney Milberger at wmilberger@bgeinc.com by December 31, 2018.

Enrollment: Circle the appropriate answer below and indicate which initiatives your entity would like to participate in during the 2019 Program Term.

Points	Initiatives
2	<p>Resident W.I.S.E Guys Irrigation System Evaluation</p> <ul style="list-style-type: none"> • Did you participate in the W.I.S.E Guys Irrigation System Evaluations program in 2018? <i>Yes / No</i> • If yes, did you cost-share with the Authority? <i>Yes / No, a master district paid the fee</i> • Do you want to participate in the W.I.S.E. Guys Irrigation System Evaluation initiative for the 2019 Program Term (2 points)? <i>Yes / No</i> <p><input type="checkbox"/> Please check the box to acknowledge that to receive 2 points for this initiative 2.25% of your total connections must receive an evaluation.</p>
3	<p>Resident Water Conservation Rebates</p> <ul style="list-style-type: none"> • Are you interested in funding rebates to your residents who make approved upgrades to their irrigation system and/or indoor plumbing fixtures? <i>Yes / No</i>

	<ul style="list-style-type: none"> • If yes, do you want to participate in the Resident Irrigation System Upgrade initiative for the 2019 Program Term (3 points)? <i>Yes / No</i> • If yes, please circle the number of connections you have: <i>fewer than 1,000 connections / more than 1,000 connections</i> <p><input type="checkbox"/> Please check the box to acknowledge that to receive 3 points for this initiative you must distribute: a) \$400 in rebates for participants with fewer than 1,000 connections; or b) \$600 in rebates for participants with more than 1,000 connections.</p>
2	<p>High Water User Notifications</p> <ul style="list-style-type: none"> • Are you interested in contacting your high water users and providing them with information on how to reduce their water usage? <i>Yes / No</i> • If yes, do you want to participate in the High Water User Notification initiative for the 2019 Program Term (2 points)? <i>Yes / No</i> <p><input type="checkbox"/> Please check the box to acknowledge that to receive 2 points for this initiative the high water user notices must be distributed monthly from January 1, 2019 - December 31, 2019.</p>
1	<p>Conservation Information</p> <ul style="list-style-type: none"> • Are you interested in providing your residents with information on water conservation? <i>Yes / No</i> • If yes, do you want to participate in the Conservation Information initiative for the 2018 Program Term (1 point)? <i>Yes / No</i> <p><input type="checkbox"/> Please check the box to acknowledge that to receive 1 point for this initiative, you must distribute the Authority-provided materials to your residents and include specific water conservation information on your water bills during certain months.</p>
2	<p>Native and Adaptive Plant Outreach</p> <ul style="list-style-type: none"> • Are you interested in providing education information and resources to residents who want to incorporate native and adaptive plants in to their existing landscaping? <i>Yes / No</i> • If yes, do you want to participate in the Native and Adaptive Plant Outreach initiative? (2 points)? <i>Yes / No</i>

	<input type="checkbox"/> Please check the box to acknowledge that to receive 2 points for this initiative, you must implement an option detailed in the Fact Sheet.
2-3	<p>HOA/Golf Course Irrigation Evaluations and Water Budgets</p> <ul style="list-style-type: none"> • Have you previously received points for an HOA/Golf Course Irrigation Evaluation and/ or Water Budget through the Larry’s Toolbox program? <i>Yes / No</i> • If Yes, what Program Term? _____ <i>Please note that the Authority will not award points for this initiative if the report was submitted prior to the 2016 Program Term.</i> • If yes, do you want to receive points for that previous HOA/Golf Course Irrigation Evaluation and/or Water Budget in the 2019 Program Term by funding the upgrades/repairs recommended in your report? <i>Yes / No</i> • If you have not previously received an Authority-funded HOA/Golf Course Irrigation Evaluation and/or Water Budget, would you like to be considered to receive one of the five Authority-funded HOA/Golf Course Irrigation Evaluation and Water Budgets for the 2019 Program term (2 points)? <i>Yes / No</i> • If no, would you like to self-fund an irrigation evaluation or water budget and receive an additional point (3 points)? <i>Yes / No</i> <p><input type="checkbox"/> Please check the box to acknowledge that to receive points for this initiative you must: a) be responsible for all communication and coordination with your HOA/Golf Course; and b) if chosen to receive an Authority-funded HOA/Golf Course Irrigation Evaluation and Water Budget, enter into a Consulting Services Agreement with the Authority and an Authority-approved vendor to perform the HOA/Golf Course Irrigation Evaluation and Water Budget prior to December 31, 2019.</p>
2-3	<p>Effective Tiered Water Rates</p> <ul style="list-style-type: none"> • Have you previously adopted a new Rate Order through the Larry’s Toolbox program that contains effective tiered rates based on either the AWE Sales Forecasting Model or AWWA M1 Chapter 4? <i>Yes / No</i> • If Yes, what Program Term? _____

	<ul style="list-style-type: none"> • If yes, do you want to receive points for this previously adopted Rate Order in the 2019 Program Term by ensuring your tiered rates effectively promote conservation (3 points)? <i>Yes/No</i> <p><i>Please note that the Authority will not award points for this initiative if the Rate Order was adopted prior to January 1, 2016.</i></p> <ul style="list-style-type: none"> • If no, do you want to participate in the Effective Tiered Water Rates initiative in the 2019 Program Term by amending your Rate Order to include effective tiered rates based on either the AWE Sales Forecasting Model or AWWA M1 Chapter 4 (2 points)? <i>Yes/No</i> <p><input type="checkbox"/> Please check the box to acknowledge that to receive 2 points for adopting a Rate Order with effective tiered rates during the 2019 Program Term, or to receive credit for a previously adopted Rate Order, you must ensure that your single-family residences and HOAs are paying water rates that promote water conservation as detailed in the Program Guide.</p>
1	<p>Rain Barrels</p> <ul style="list-style-type: none"> • Are you interested in distributing rain barrels to residents to promote storm water capture and water conservation? <i>Yes/No</i> • If yes, would you like to participate in the Rain Barrel initiative for the 2019 Program Term (1 point)? <i>Yes/No</i> <p><input type="checkbox"/> Please check the box to acknowledge that to receive 1 point for this initiative you must ensure that at least 5 rain barrels are distributed to your residents; governing bodies for Participant are not eligible.</p>
1-6	<p>Smart Technology</p> <ul style="list-style-type: none"> • Do you currently utilize any of the following technologies for at least 20% of your connections, and would you like to receive points for these efforts as part of the Smart Technology initiative for the 2019 Program Term? • Automated Meter Reading (1 point) <i>Yes/No</i> • Advanced Metering Infrastructure (2 points) <i>Yes/No</i> • Customer Portal such as smart phone application or online tool (2 points) <i>Yes/No</i> • Smart Technology Outreach Program (1 point) <i>Yes/No</i>

	<ul style="list-style-type: none"> • If no, do you plan to implement any of the following technologies for at least 20% of your connections during the 2019 Program Term? <ul style="list-style-type: none"> • Automated Meter Reading (1 point) <i>Yes/No</i> • Advanced Metering Infrastructure (2 points) <i>Yes/No</i> • Customer Portal such as smart phone application or online tool (2 points) <i>Yes/No</i> • Smart Technology Outreach Program (1 point) <i>Yes/No</i> • If yes, do you want to participate in the Smart Technology initiative for the 2019 Program Term? <i>Yes/No</i> <p><input type="checkbox"/> Please check the box to acknowledge that to receive the designated number of points for this initiative you must: a) ensure that your Smart Technology is implemented for at least 20% of your connections; and b) provide the Authority with information on your Smart Technology equipment and tools, including the projected schedule for implementation, the cost of the Smart Technology, the number of residents with access to the Smart Technology, and a copy of all Smart Technology contracts.</p>
2-5	<p>Irrigation Permits</p> <ul style="list-style-type: none"> • Are you interested in monitoring newly installed irrigation systems within your boundaries to ensure the systems have been properly permitted and inspected as specified in the regulations in Chapter 344 of the Texas Commission on Environmental Quality Rules? <i>Yes/No</i> • If yes, would you like to receive points for the Irrigation Permits initiative for the 2019 Program Term? <i>Yes/No</i> • If yes, please circle the percent developed below: <ul style="list-style-type: none"> • 75-99% (2 points) • 50-74% (3 points) • 25-49% (4 points) • <25% (5 points) <p><input type="checkbox"/> Please check the box to acknowledge that to receive the designated number of points for this initiative you must: a) ensure that all newly installed irrigation systems within your boundaries will comply with TCEQ Chapter 344 regulations;</p>

	and b) report any new irrigation systems within your boundaries not complying with TCEQ Chapter 344 regulations to the Authority and notify the irrigation system owner of noncompliance.
TBD	<p>Other Water Conservation Initiative</p> <ul style="list-style-type: none"> • Are you currently implementing or planning to implement a water conservation program that does not fit one of the existing ten (10) Initiatives? <i>Yes/No</i> • If yes, would you like to submit this program to the Authority using the attached form for approval of points towards the Incentive Goal? <i>Yes/No</i> <p><input type="checkbox"/> Please check the box to acknowledge that to be considered for points, existing or planned water conservation programs must be submitted to the Authority along with all requested data.</p>

Note: Municipal Utility Districts and cities must accumulate **nine (9) points** during the 2019 Program Term to receive the water conservation rebate payment. Homeowners associations and other Groundwater Reduction Plan (“GRP”) Participants should contact the Authority for point requirements. Refer to the 2019 Program Guide for more information.

Thank you for your participation in the 2019 Larry’s Toolbox Water Conservation Program. By submitting this Enrollment Form, Participant agrees to comply with all terms and conditions of the Program contained in the North Fort Bend Water Authority’s Resolution Establishing the 2019 Larry’s Toolbox Water Conservation Program and the 2019 Larry’s Toolbox Program Guide.



**2019 LARRY'S TOOLBOX PROGRAM
EXISTING WATER CONSERVATION PROGRAM
SUBMITTAL FORM**

1. Participant Name: _____

2. Participant Main Contact Name and Email: _____

3. Description of Program: _____

4. Cost: _____

5. Municipal Utility District/Homeowners Association contributions: _____

6. Results: _____

Please submit the completed form to the Authority c/o Whitney Milberger at wmilberger@bgeinc.com by December 31, 2018.

Thank you for your participation in the 2019 Larry's Toolbox Water Conservation Program. By submitting this Enrollment Form, Participant agrees to comply with all terms and conditions of the Program contained in the North Fort Bend Water Authority's Resolution Establishing the 2019 Larry's Toolbox Water Conservation Program and the 2019 Larry's Toolbox Program Guide.

EXHIBIT C
CONSULTING SERVICE AGREEMENT

CONSULTING SERVICE AGREEMENT

This Consulting Service Agreement (this "Agreement") is entered into this ____ day of _____, (the "Effective Date") by and between the North Fort Bend Water Authority, a political subdivision of the State of Texas (the "Authority"), _____, a political subdivision of the State of Texas (the "District"), and _____ (the "Contractor").

RECITALS

WHEREAS, the Authority's long-term water planning strategy includes water conservation initiatives designed to reduce reliance on groundwater within the Authority's boundaries; and

WHEREAS, in order to facilitate the implementation of water conservation initiatives within the Authority's boundaries, the Authority developed the Larry's Toolbox Program (the "Program") consisting of water conservation initiatives which participants may choose to participate in to earn points towards eligibility for a water conservation rebate payment; and

WHEREAS, as part of the Program and pursuant to the 2019 Larry's Toolbox Program Guide, the Authority will provide five (5) Homeowner Associations ("HOA") or golf courses with an irrigation system evaluation and water budget ("HOA/Golf Course Irrigation System Evaluation and Water Budget"); and

WHEREAS, the District has enrolled in the 2019 Program and was chosen to receive an HOA/Golf Course Irrigation System Evaluation and Water Budget from the Authority; and

WHEREAS, the Authority and the District have determined it is in the Authority's and the District's best interest to engage a professional service provider to perform the HOA/Golf Course Irrigation System Evaluation and Water Budget as more fully described herein; and

WHEREAS, the Parties have read and understood the terms and provisions set forth in this Agreement and have been afforded a reasonable opportunity to review this Agreement with their respective legal counsel;

NOW, THEREFORE, in consideration of the premises, mutual promises, covenants, obligations and benefits herein contained, the Parties agree as follows:

I.
SERVICES

Section 1.01. Services. The Contractor shall perform the HOA/Golf Course Irrigation System Evaluation and Water Budget services (the "Services") for the District and the Authority as approved in writing by the District and the Board of Directors of the Authority (the "Board of the Authority"), and the Contractor shall be compensated by the Authority for such services as approved by the Board of the Authority. The Contractor may not deviate from approved Services without the prior written consent of the Board of the Authority. Approval of Services shall be evidenced by a written proposal in the name of the District, attached hereto as **Exhibit A**, which shall include the services to be performed, the location, and the fees. All fees described in the proposal or service order shall include charges for labor, materials, insurance, equipment and, any other items required to perform the work in the Services. Contractor hereby agrees to complete all Services associated with the initial report and delivery thereof by December 31, 2019.

II.
COMPENSATION

Section 2.01. Payment for Services. The Contractor shall submit a detailed invoice (together with any back-up documentation requested by the Authority) indicating the Services performed under the terms of this Agreement to the Authority's bookkeeper, currently AVANTA Services, 5635 Northwest Central Dr., Suite 104E, Houston, Texas 77092. Payment shall be made by the Authority within sixty (60) days of approval of the invoice by the Board of the Authority. Interest shall not begin to accrue until sixty days after the invoice is approved by the Board of the Authority.

III.
GENERAL CONDITIONS

Section 3.01. Contractor's Duties. The Contractor covenants with the District and the Authority to use its best skill and judgment in performing the Services for the District and the Authority. The Contractor agrees to exercise reasonable diligence in performing the Services, using the degree of care and skill that a prudent person in the same or similar profession would use.

Section 3.02. Relationship of the Parties. The Contractor has been retained by the Authority for the sole purpose and to the extent set forth in this Agreement. It is understood and agreed that all work so done by the Contractor shall meet with Authority approval, but that the detailed manner and method of performing the Services shall be under the control of the Contractor. The Contractor's relationship to the Authority and the District during the term of this Agreement is that of an independent contractor. The relationship between the Authority, the District, and the Contractor is not exclusive.

Section 3.03. Ownership of Documents. All deliverables specified in the attached **Exhibit A** (the "Deliverables") shall be the property of the Authority, with copies provided to the District, provided that the Contractor has received full compensation due pursuant to the terms of this Agreement and subject to all of the following terms and conditions. The Contractor agrees that it shall not reuse any portion of the Deliverables that is unique to the Authority's projects for any other client, without the express written consent of the Authority, which consent will not be unreasonably withheld.

Section 3.04. Representations and Warranties. The District represents and warrants that: i) the District has approved the written proposal in the name of the District attached hereto as **Exhibit A**, ii) the District has obtained from the HOA or Golf Course all necessary permissions required to perform the Services, and iii) the District will coordinate with the HOA or Golf Course and the Contractor to schedule a mutually agreeable time or times for performance of the Services. The Authority shall have no responsibility or liability regarding permission for the Contractor to enter the HOA's or Golf Course's property or for scheduling performance of the Services. If any part of the HOA or Golf Course property subject to the Services is located in a municipal utility district other than the District, the District represents and warrants that it has obtained permission from such municipal utility district(s) for the Contractor to perform the Services, and will coordinate with such district(s) to schedule performance of the Services.

Section 3.05. Insurance. Before commencing any work hereunder, the Contractor shall furnish certificates of its insurance and copies of any required endorsements to the Authority evidencing the following insurance coverage, which coverage shall be maintained throughout the term of this Agreement. Such certificates shall contain a provision that coverages afforded under the policy will not be canceled or modified without at least seven days prior written notice to the Authority and the District. Renewal certificates shall be provided at least thirty (30) days prior to the termination date of the current certificates of insurance. Certified copies of each policy shall be furnished to the Authority and the District upon the Authority's or the District's request. The Contractor shall not violate or knowingly permit to be violated any condition of the insurance policies required by this Agreement. Nothing contained in this Section shall limit or waive the Contractor's legal or contractual responsibilities to the Authority, the District, or others. Cancellation or expiration of any of said insurance policies shall not preclude the Authority or the District from recovery thereunder for any liability arising under this Agreement. The Contractor shall obtain the following insurance from companies having a Best's rating of B+/VII or better and licensed to transact business in the State of Texas:

- A. Workers' Compensation Insurance covering liability arising out of Contractor's employment of workers and anyone for whom the employer may be liable for workers' compensation claims at limits as imposed by statute. Workers'

- compensation insurance is required, and no alternative forms of insurance shall be permitted.
- B. Employer's Liability Insurance Limitations with limits of not less than \$500,000.
 - C. Commercial General Liability Insurance with limits not less than:
 - a. Each occurrence - \$1,000,000
 - b. General aggregate - \$2,000,000
 - c. Products-Completed Operations Aggregate - \$2,000,000
 - d. Personal & Advertising Injury -\$1,000,000
 - D. Comprehensive Automobile Liability Insurance with limits not less than \$1,000,000 (combined)

The Authority and the Authority's agents and employees, and the District and the District's agents and employees, shall be added as additional insured to all coverage required under this Agreement for all liability arising out of the Contractor's work under this Agreement, except for worker's compensation insurance. All policies written on behalf of the Contractor shall contain a waiver of subrogation in favor of the Authority and the Authority's agents and employees, and the District and the District's agents and employees. In addition, all of the aforesaid policies shall be endorsed to provide that the coverage provided to the Authority and the Authority's agents and employees, and to the District and the District's agents and employees, as additional insureds will be on a primary basis, and not in excess of other insurance coverage available to the Authority and the Authority's agents and employees or the District and the District's agents and employees, and will not seek contribution or recovery from the Authority and the Authority's agents and employees, or from the District and the District's agents and employees, or from such other insurance available to the Authority and the Authority's agents and employees, or to the District and the District's agents and employees.

Section 3.06. Indemnification.

TO THE FULLEST EXTENT PERMITTED BY LAW, THE CONTRACTOR, FOR ITSELF AND ITS SUCCESSORS AND ASSIGNS, AGREES TO DEFEND, INDEMNIFY AND HOLD HARMLESS THE AUTHORITY AND ITS OFFICERS, DIRECTORS, REPRESENTATIVES, AND AGENTS, AND THE DISTRICT AND ITS OFFICERS, DIRECTORS, REPRESENTATIVES, AND AGENTS, FROM EVERY LOSS, DAMAGE, INJURY, COST, EXPENSE, CLAIM, JUDGMENT, OR LIABILITY OF EVERY KIND OR CHARACTER (INCLUDING SPECIFICALLY ATTORNEYS' FEES, COURT COSTS AND OTHER EXPENSES INCURRED IN ENFORCING THIS INDEMNITY PROVISION), WHETHER IN CONTRACT, TORT, OR OTHERWISE, WHICH ARISES DIRECTLY OR INDIRECTLY FROM THE CONTRACTOR'S WILLFUL, INTENTIONAL, RECKLESS OR NEGLIGENT (WHETHER ACTIVE, PASSIVE, OR GROSS) ACTS OR OMISSIONS RELATED TO OR ARISING FROM THIS AGREEMENT. THIS INDEMNITY AND HOLD HARMLESS PROVISION WILL APPLY WHETHER SUCH ACTS OR OMISSIONS ARE CONDUCTED BY THE CONTRACTOR OR ANY SUBCONTRACTOR OR AGENT OF THE CONTRACTOR.

THIS INDEMNITY AGREEMENT IS INTENDED TO MEET THE TEXAS "EXPRESS NEGLIGENCE RULE" BECAUSE CONTRACTOR AGREES THAT IT APPLIES AND IS ENFORCEABLE EVEN AS TO LOSSES, DAMAGES, INJURIES, EXPENSES, CLAIMS, CAUSES OF ACTION, JUDGMENTS OR LIABILITIES JOINTLY OR CONCURRENTLY CAUSED BY THE NEGLIGENCE OR OTHER FAULT OF THE AUTHORITY OR DISTRICT. THE TERM "FAULT" IN THE PREVIOUS SENTENCE INCLUDES THE VIOLATION OR BREACH BY THE AUTHORITY OR DISTRICT OF ANY COMMON LAW DUTY, ANY TERM OF THIS CONTRACT, OR ANY STATUTE OR REGULATION.

THIS INDEMNIFICATION OBLIGATION IS IN ADDITION TO ALL OTHER LEGAL, EQUITABLE, OR INDEMNIFICATION REMEDIES AVAILABLE TO THE AUTHORITY AND/OR DISTRICT. THIS INDEMNIFICATION OBLIGATION SURVIVES THE TERMINATION OR EXPIRATION OF THIS CONTRACT.

CONTRACTOR DOES HEREBY WAIVE, RELEASE AND FOREVER RELINQUISH AND DISCHARGE THE AUTHORITY AND DISTRICT FROM ALL OF CONTRACTOR'S CAUSES OF ACTION ARISING FROM BODILY INJURY OR DEATH OR DAMAGE TO ANY PROPERTY ARISING OUT OF THE WORK, REGARDLESS OF WHETHER THE INJURY OR DAMAGE IS CAUSED IN FULL OR IN PART BY THE NEGLIGENCE OR OTHER FAULT OF THE AUTHORITY AND/OR DISTRICT.

Section 3.07. Term and Termination. This Agreement shall expire upon completion of the Services. The Authority may terminate this Agreement at any time upon thirty (30) days written notice to the Contractor. The Contractor may terminate this Agreement at any time upon thirty (30) days written notice to the Authority. The Contractor shall not be entitled to any payment or further payment other than for work performed or material, equipment, or supplies furnished prior to such termination. The Authority and District do not waive any other remedy allowed under Texas law.

Section 3.08. Agreement Controls. To the extent that there is any inconsistency between the provisions of this Agreement and any attachments or exhibits hereto, the terms of this Agreement shall control.

Section 3.09. Regulatory Requirements. All work will be done in strict compliance with all applicable city, county, state and federal rules, regulations and laws and any codes which may apply to the Services being provided. The Contractor will obtain all permits and licenses required to perform the Services and will be responsible for securing inspections and approvals of its work from any authority having jurisdiction over the Contractor's Services.

Section 3.10. Safety and Health Standards. The Contractor shall observe and comply with all applicable federal, state and local health and safety laws and regulations.

Section 3.11. Inspection. The Authority and its duly authorized representatives, and the District and its duly authorized representatives, shall have the right to inspect all Services being performed hereunder at any time. The Contractor agrees to maintain adequate books, payrolls and records satisfactory to the Authority and the District in connection with any and all Services performed hereunder and to maintain such books, payrolls and records for at least four years. The Authority and its duly authorized representatives and the District and its duly authorized representatives shall have the right to audit such books, payrolls, and records at any reasonable time or times.

Section 3.12. Assignability. The Contractor shall not assign its rights or obligations or any sum that may accrue to it hereunder without the written consent of the Authority, which shall be granted or denied in the Authority's sole discretion.

Section 3.13. Modifications. This Agreement shall be subject to amendment, change, or modification only with the prior mutual written consent of the Authority, the District, and the Contractor.

Section 3.14. Force Majeure. In the event any party to this Agreement is rendered unable, wholly or in part, by force majeure including an act of God; strikes; lockouts, or other industrial disturbances; acts of the public enemy; orders of any kind of government of the United States or the State of Texas or any civil or military authority (other than a party to this Agreement); insurrections; riots; epidemics; landslides; lightning; earthquakes; fires; hurricanes; storms; floods; droughts; arrests; civil disturbances; explosions; or other inability similar to those enumerated; to carry out its obligations under this Agreement, it is agreed that party shall give written notice of such act to the other parties as soon as possible after the occurrence of the cause relied on and shall, thereafter, be relieved of its obligations, so far as they are affected by such act, during the continuance of any inability so caused, but for no longer.

Section 3.15. Agreement Subject to Applicable Law. This Agreement and the obligations of the parties hereunder are subject to all rules, regulations and laws which may be applicable by the United States, the State of Texas, or any other regulatory agency having jurisdiction.

Section 3.16. Governing Law. This Agreement is governed in accordance with the laws of the State of Texas and shall be enforceable in Fort Bend County, Texas.

Section 3.17. Waiver. No waiver or waivers of any breach or default by a party hereto of any term, covenant or condition or liability hereunder of performance by the other party of any duty or obligation hereunder will be deemed a waiver thereof in the future, nor will any such waiver or waivers be deemed or construed to be a waiver of

subsequent breaches or defaults of any kind, character or description, under any circumstances.

Section 3.18. Intended Beneficiaries. This Agreement is for the sole benefit of the Authority, the District, and the Contractor, with the HOA or Golf Course as an intended third party beneficiary. This Agreement will not be construed to confer any benefit upon any other party.

Section 3.19. Severability. The provisions of this Agreement are severable, and if any provision or part of this Agreement or the application thereof to any person or circumstance is ever held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, the remainder of this Agreement and the application of such provision or part of this Agreement to other persons or circumstances will not be affected hereby.

Section 3.20. House Bill 89 Verification. By signing and entering into this Agreement, Contractor verifies that it does not boycott Israel and will not boycott Israel during the term of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement in multiple copies, each of equal dignity, as of the date set forth on the first page hereof.

[EXECUTION PAGES FOLLOW]

NORTH FORT BEND WATER AUTHORITY

President, Board of Directors

ATTEST:

Secretary, Board of Directors

(SEAL)

[DISTRICT]

President, Board of Directors

ATTEST:

Secretary, Board of Directors

(SEAL)

[PROFESSIONAL SERVICE PROVIDER]

By: _____

Name: _____

Title: _____

EXHIBIT A

**HOA/GOLF COURSE IRRIGATION EVALUATION
AND WATER BUDGET PROPOSAL**