



USW UTILITY GROUP
1406 Central Avenue
Fort Dodge, IA 50501

Water and Wastewater Utility Operation, Maintenance, Engineering, Construction

SECOND AMENDMENT

AMENDED AND RESTATED AGREEMENT For The PROFESSIONAL WATER AND WASTEWATER OPERATIONS, MAINTENANCE AND MANAGEMENT OF WATER TREATMENT & DISTRIBUTION AND WASTEWATER TREATMENT, COLLECTION & PUMPING SECOND

This Second Amendment and Restated Operations and Maintenance Agreement ("Agreement"), is entered into as of this 1st day of August, 2024 ("Effective Date"), by and between U.S. Water Services Corporation, d/b/a as USW UTILITY GROUP (USWUG), whose address is 1406 Central Avenue, Fort Dodge, IA 50501 and the City of Galena, a municipality located in Jo Daviess County, State of Illinois ("OWNER"), with its principal place of business at 101 Green Street, Galena, Illinois 61036, collectively referred to the "Parties."

WHEREAS, OWNER owns and operates water and wastewater treatment facilities and associated distribution and collection systems, at the locations set forth in the Agreement; and

WHEREAS, USWUG is engaged in the business of providing certain operations, maintenance and management of water treatment and distribution and wastewater treatment, collection and pumping services; and

WHEREAS, USWUG entered into the Professional Water and Wastewater Operations, Maintenance and Management of Water Treatment and Distribution and Wastewater Treatment, Collection and Pumping Agreement with the City dated August 1, 2019, for the operation the City's water and wastewater systems (the "Agreement") with an initial five (5) year Term; and

WHEREAS, the first five (5) year Term of the Original Agreement is scheduled to naturally expire on July 31, 2024; and

WHEREAS, the Parties wish to further extend the Term of the Original Agreement; and



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WHEREAS, the Parties wish to amend the Original Agreement, to restate the Original Agreement and to ratify the Original Agreement to include Amendment No. 1; and

NOW, THEREFORE the Agreement made and entered into between the OWNER and USWUG dated August 1, 2019, is amended as follows:

Article 1. Purpose and Term – The Term of Agreement is hereby amended to reflect the restated Term of the Agreement for five (5) calendar years from the Amended Date of this Agreement, and will automatically renew unless otherwise notified by City prior to one hundred eighty (180) days prior to Agreement Expiration (July 31, 2029).

Article 1 is hereby amended to read, "As of the Effective Date, OWNER engages CONTRACTOR as an independent CONTRACTOR to provide the CONTRACTOR Services with respect to the Facilities and certain other OWNER Equipment, as hereinafter defined, for a Term commencing on August 1, 2024 and expiring on July 31, 2029, unless otherwise earlier terminated pursuant to the provisions of this Agreement, and will automatically renew unless otherwise notified by City prior to one hundred eighty (180) days prior to Agreement Expiration Date (July 31, 2029). As an independent CONTRACTOR, rather than an employee or representative of OWNER, CONTRACTOR covenants and agrees that it will not represent to any third party that it, or any of its principals, officers, directors, employees or agents shall in any way obligate or be binding upon OWNER or its officials, except provided in this Agreement.

This second amendment shall be effective August 1, 2024 and is agreed to by both parties as evidenced by the endorsement below (Pages 3 & 4 of this Amendment).

IN WITNESS THEREOF, Contractor, by its duly authorized Officer, and the Owner, by its duly authorized Administrator, has executed this Amendment as to the date and year first above written.



USW UTILITY GROUP
1406 Central Avenue
Fort Dodge, IA 50501

Water and Wastewater Utility Operation, Maintenance, Engineering, Construction

City of Galena, IL
(CITY)

By: Terry Renner
(Signature) Terry Renner, Mayor

Terry Renner
(Printed or Typed Name)

6-28-24
(Date)

Attest [Signature]



USW UTILITY GROUP
1406 Central Avenue
Fort Dodge, IA 50501

Water and Wastewater Utility Operation, Maintenance, Engineering, Construction

U.S. WATER SERVICES CORPORATION
(USWUG)

Jeffrey L. DuPont
(Signature) Jeffrey L. DuPont, Vice President

Jeffrey L. DuPont
(Printed or Typed Name)

7/22/24
(Date)

Attest Mary DuPont L.S.

Address for Giving Notices:

CITY OF GALENA, ILLINOIS

Galena City Administrator
City of Galena
101 Green Street
Galena, IL 61036

U.S. WATER SERVICES CORPORATION

U.S. Water Services Corporation
4939 Cross Bayou Blvd
New Port Richey, FL 34652
Attn: President

OPERATIONS AND MAINTENANCE OF THE CITY OF GALENA

WATER/WASTEWATER TREATMENT FACILITIES AND DISTRIBUTION/COLLECTION SYSTEMS

This Operations and Maintenance Agreement (“Agreement”), is entered into as of this 1st day of August, 2019 (“Effective Date”), by and between U.S. Water Services Corporation, a Florida corporation authorized to conduct business in the State of Illinois as USW Utility Group (“CONTRACTOR”), with its principal place of business at 1406 Central Avenue, Fort Dodge, Iowa 50501; and the City of Galena, a municipal corporation in the county of Jo Daviess, State of Illinois (“OWNER”), with its principal place of business at 101 Green Street, Galena, Illinois 61036. CONTRACTOR and OWNER are sometimes herein referred to individually as a “Party” and collectively as the “Parties.”

WHEREAS, OWNER owns and operates a water and wastewater treatment facilities and associated distribution and collection systems, at the locations set forth in Exhibit A attached hereto (“Facilities”); and

WHEREAS, CONTRACTOR is engaged in the business of providing certain operations and management services for water and wastewater facilities; and

WHEREAS, it is the mutual desire of the CONTRACTOR and the OWNER to enter into this Agreement for services to be provided by the CONTRACTOR; and

WHEREAS, OWNER has full power and authority under the laws of the State of Illinois to enter into this Agreement for the CONTRACTOR Services.

NOW, THEREFORE, in consideration of the mutual covenants, conditions and terms contained herein, the Parties, intending to be legally bound, hereby agree as follows:

1. PURPOSE AND TERM

As of the Effective Date, OWNER engages CONTRACTOR as an independent CONTRACTOR to provide the CONTRACTOR Services with respect to the Facilities and certain other OWNER Equipment, as hereinafter defined, for a term commencing on August 1, 2019 and expiring on July 31, 2024, unless otherwise earlier terminated pursuant to the provisions of this Agreement. As an independent CONTRACTOR, rather than an employee or representative of OWNER, CONTRACTOR covenants and agrees that it will not represent to any third party that it, or any of its principals, officers, directors, employees or agents shall in any way obligate or be binding upon OWNER or its officials, except as provided in this Agreement.

2. CONTRACTOR SERVICES

The CONTRACTOR Services shall consist of those services specified in Exhibit B and Exhibit B-1 attached hereto and incorporated herein by this reference.

3. CONTRACTOR INSURANCE. CONTRACTOR shall maintain the following insurance during the term of this Agreement:

Commercial General Liability (includes Fire Damage Liability):

Bodily Injury, Personal Injury, and Property Damage	\$1,000,000 Occurrence \$2,000,000 Aggregate
Products and Completed Operations	\$2,000,000 Occurrence
Personal Injury and Advertising	\$1,000,000 Occurrence
Fire Damage Liability	\$500,000 Occurrence

Commercial Automobile Liability (any auto):

Hired and Non-Owned Liability	\$1,000,000 Per Accident
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Worker's Compensation:

Statutory Limit

Employer's Liability:

Bodily Injury by Accident	\$1,000,000 Each Accident
Bodily Injury by Disease	\$1,000,000 Policy Limit
Bodily Injury by Disease	\$1,000,000 Each Employee

Pollution Liability:

Bodily Injury and Property Damage	\$5,000,000 Each Claim/Incident
Environmental Damage from a Pollution Condition	\$2,000,000 Aggregate

Professional Liability:

Damages from Performance of or Failure to Perform Professional Services	\$1,000,000 Occurrence \$1,000,000 Aggregate
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Excess Liability and Umbrella:

\$10,000,000 Occurrence/
Aggregate

CONTRACTOR shall furnish OWNER with satisfactory proof of such aforesaid insurance. At all times during the terms of this Agreement, CONTRACTOR shall keep in effect the aforesaid insurance coverage. Neither failure to comply nor incomplete compliance with the insurance requirements of Section 3 shall limit or relieve CONTRACTOR of its obligations hereunder. If CONTRACTOR fails to purchase or maintain the insurance required under Section 3. OWNER may, but will not be obligated to, purchase such

insurance on CONTRACTOR's behalf, and OWNER shall be reimbursed for any premiums paid by OWNER on behalf of CONTRACTOR.

All the above policies, except Worker's Compensation and Professional Liability, shall name OWNER as an additional insured and contain a waiver of subrogation in favor of OWNER where appropriate, but only to the extent of the CONTRACTOR's performance and indemnification obligations pursuant to this Agreement.

4. Responsibilities of OWNER

a. Equipment. OWNER shall provide to CONTRACTOR, for CONTRACTOR's sole and exclusive use, all equipment and structures and vehicles assigned to the Facilities as of the date hereof and listed on Exhibit C attached hereto ("OWNER's Equipment"). OWNER shall, during the term of this Agreement, be solely responsible for the cost of replacing the OWNER's Equipment, as reasonably determined by CONTRACTOR as necessary for the operation of the Facilities.

b. Permits. OWNER shall, at its sole cost and expense, obtain and maintain all required governmental licenses, permits, and authorizations required to own, operate and maintain the OWNER's Equipment and Facilities.

c. Insurance. OWNER will maintain the following Insurance during the term of this Agreement.

Property Insurance (all risks):

Full Replacement cost value for Entire Facilities, Contents, Equipment & Computers and a waiver of subrogation against CONTRACTOR to the extent of coverage.

Commercial Auto Liability (any auto)

\$1,000,000 Combined Single Limit

Worker's Compensation:

Statutory

Employer's Liability

Bodily Injury by Accident

\$1,000,000 Each Accident

Bodily Injury by Disease

\$1,000,000 Policy Limit

Bodily Injury by Disease

\$1,000,000 Each Employee

Commercial General Liability

Bodily Injury, Personal Injury, and Property Damage

\$1,000,000 Occurrence

\$2,000,000 Aggregate

OWNER shall furnish CONTRACTOR with satisfactory proof of all aforesaid insurance. At all times during the terms of this Agreement, OWNER shall keep in effect the aforesaid insurance coverage. Neither failure to comply nor incomplete compliance with the insurance requirements of Section 4c shall limit or relieve OWNER of its obligations hereunder. If OWNER fails to purchase or maintain the insurance required under Section 4c, CONTRACTOR may, but will not be obligated to, purchase such insurance on OWNER's behalf, and CONTRACTOR shall be reimbursed for any premiums paid by CONTRACTOR on behalf of the OWNER.

d. Representations. OWNER represents and warrants CONTRACTOR that the OWNER has, or will have or hold as of the date hereof, and will continue to have or hold throughout the term of this Agreement, all approvals, licenses, permits and certifications necessary to operate, manage, maintain and repair the Facilities.

5. COMPENSATION

a. Compensation. OWNER shall pay CONTRACTOR, as compensation for the CONTRACTOR Services, the annual sum of \$694,961.70, payable in equal monthly installments of \$57,913.48, subject to adjustment as specified below ("CONTRACTOR Compensation"). Monthly payments are due, in advance, no later than the tenth (10th) day of the month to which such payment relates. Late payments shall accrue interest at the then current prime rate plus one percent (1%) per annum on the unpaid balance.

b. Annual Adjustments. Except for the "Electricity Expense Component" (defined below) the CONTRACTOR Compensation shall be adjusted annually on each anniversary of the Effective Date, beginning with an initial adjustment of the CONTRACTOR Compensation as of the Effective Date. The CONTRACTOR Compensation, exclusive of the Electricity Expense Component, that is subject to the initial annual adjustment is \$554,961.70. This component of the CONTRACTOR Compensation shall be adjusted based upon the percentage change in the Consumer Price Index ("CPI") Midwest Size Class D, Series ID#CUUR0200SA0 for the twelve (12) month period immediately preceding such adjustment date, with a maximum adjustment increase of five percent (5%). Each annual adjustment of the CONTRACTOR Compensation is cumulative throughout the term of this Agreement.

"Agreement Year" means twelve (12) month period during the Term. The first Agreement Year begins on the Effective Date and ends on the day before the first anniversary of the Effective Date. Each subsequent Agreement Year during the Term begins on the anniversary of the Effective Date. Any computation made on the basis of an Agreement Year shall be adjusted on a pro rata basis to take into account any Agreement Year of less than three hundred and sixty-five (365) or three hundred and sixty-six (366) days, whichever is applicable.

c. Adjustments Based on Water and Wastewater Flow and Loadings. The data used by CONTRACTOR is as follows:

Water

Average daily production: .65MGD

Wastewater

Average daily flow: 1.17MGD

Average daily influent BOD: 350 mg/l

Average daily influent TSS: 500 mg/l

Average daily influent N113 40mg/l

In the event tht during any twelve (12) month rolling period the average flow and/or loading increases or decreases by five percent (5%) or more, the CONTRACTOR Compensations may be adjusted upward or downward as agreed to between the OWNER and CONTRACTOR.

d. **Adjustments Based on Increased Operating Costs.** In the event that any changes in the scope of the operations of, or regulations applicable to, the Facilities shall occur, from and after the Effective Date, including, but not limited to, changes in government regulations or reporting requirements effluent quality standards, monitoring requirements, level of treatment, personnel qualifications, applicable taxes, staffing rules, or changes in the scope of the CONTRACTOR Service (as set forth on Exhibit B and Exhibit B-1) which increases the cost of operating the Facilities, OWNER shall pay to CONTRACTOR an increase in the annual compensation paid to CONTRACTOR, as reasonably determined by CONTRACTOR and the OWNER, and retroactive to the date of such notification by CONTRACTOR (which shall include a reasonably detailed explanation for the increase to the annual compensation).

e. **Adjustment Based on Changed Electricity Rates.** The electricity expense is included in the annual fees to be paid to CONTRACTOR and is initially established at \$140,000 ("Electricity Expense Component"). The Electricity Expense Component shall be adjusted based on any change in electricity rates or any other form of change to utility provider charges of any type or kind. Upon any such change, a like amount adjustment will be made to the Electricity Expense Component of the CONTRACTOR Compensation. Any amount less than the Electricity Expense Component not expended by CONTRACTOR for electricity during a given Agreement Year shall be returned to OWNER in full within sixty (60) days of the end of the Agreement Year. During any Agreement Year, amounts expended by CONTRACTOR which aggregate to a total greater than the Electricity Expense Component shall be reimbursed by OWNER to CONTRACTOR in full within sixty (60) days of the end of the Agreement Year.

6. **Capital Improvements.** OWNER shall be solely responsible for all Capital Improvement Expenditures. For purposes of this Agreement, a Capital Improvement Expenditure shall be defined to be the cost of adding new equipment (accessory, appurtenances, or components thereof), or new structures (as opposed to replacing, maintaining, repairing, or rebuilding the existing structures) which satisfy any of the following criteria.

- a. increases its efficiency and capacity for which it was designed and constructed; or
- b. has a service life of at least (5) years; or
- c. costs in excess of \$3,000 dollars per occurrence, exclusive of any CONTRACTOR personnel labor costs.

CONTRACTOR shall submit, for OWNER's approval, Capital Improvement Expenditures prior to incurring the same. Each request for approval will identify the reason and estimated costs for the expenditure. Notwithstanding anything to this Section 6, CONTRACTOR shall have the right, in emergency situations, to authorize the expenditure of monies for capital improvements where the failure to do so would have an adverse effect, as determined by CONTRACTOR, on the Facilities or the OWNER Equipment.

The OWNER and CONTRACTOR will work together to develop, agree on and execute more substantive capital upgrade projects in an effort to further reduce Facility operating and maintenance costs, and/or improve operations control, productivity and compliance. Projects identified and brought forward by CONTRACTOR will be presented to and approved by the OWNER, at the discretion of the OWNER, on a case-by-case basis.

7. Maintenance and Repair Costs.

a. **Costs up to \$3,000.** CONTRACTOR shall pay the costs of all individual repair parts, maintenance materials, supplies and outside maintenance service items (collectively, "M&R Items") up to \$3,000 per event, excluding CONTRACTOR labor costs, during the term of this Agreement. The annual budget for such M&R Items costing less than \$3,000 is included in the annual fees to be paid to CONTRACTOR and is initially established as \$80,000.00 ("M&R Expense Component"). The M&R Expense Component will be adjusted annually by the same percentage in the CPI as detailed in Section 5(b) of this Agreement. Any amount less than the M&R Expense Component not expended by CONTRACTOR during a given Agreement Year shall be returned to OWNER in full within sixty (60) days of the end of the contract year. During any Agreement Year, amounts expended by CONTRACTOR which aggregate to a total greater than the M&R Expense Component without prior written approval by OWNER, are the responsibility of CONTRACTOR. During any Agreement Year, amounts expended by CONTRACTOR which aggregate to a total greater than the M&R Expense Component with prior written approval by OWNER, are the responsibility of OWNER.

b. **Costs \$3,000 and above.** Any M&R Items which cost in excess of \$3,000 per event, excluding CONTRACTOR labor costs, shall be approved by the OWNER and paid for in their entirety directly by OWNER. Notwithstanding anything to the contrary in this Section 7, CONTRACTOR shall have the right, in emergency situations, to authorize the expenditure

of monies for M&R Items where the failure to do so would have an adverse effect, as determined by CONTRACTOR, on the Facilities or the OWNER Equipment.

- 8. Chemical Costs.** CONTRACTOR shall pay the costs of all chemicals during the term of this Agreement. The annual budget for chemicals is included in the annual fees to be paid to CONTRACTOR and is initially established at \$17,925.00 ("Chemical Expense Component"). The Chemical Expense Component will be adjusted annually by the same percentage change in the CPI as detailed in Section 5(b) of this Agreement. Any amount less than the Chemical Expense Component not expended by CONTRACTOR during a given Agreement Year shall be returned to OWNER in full within sixty (60) days of the end of the Agreement Year. During any Agreement Year, amounts expended by CONTRACTOR which aggregate to a total greater than the Chemical Expense Component without prior written authorization by the Owner, are the responsibility of CONTRACTOR. Chemical costs shall be the actual amount paid for chemicals by the Contractor, including any discounts received by the Contractor. During any Agreement Year, amounts expended by CONTRACTOR which aggregate to a total greater than the Chemical Expense Component with prior written authorization by the OWNER, are the responsibility of OWNER.
- 9. Quality of Performance.** CONTRACTOR's objective is to provide its OWNERS with high quality operational services, consistent with industry standards. To that end, CONTRACTOR seeks an operational partnership with the OWNER to achieve a level of performance consistent with industry standards and expects to be held accountable for delivering performance against such standards. If at any time the OWNER is less than fully satisfied, than it should be communicated to CONTRACTOR, and if the OWNER is ultimately not satisfied with CONTRACTOR's performance, the OWNER may request a change in the management team overseeing its project.
- 10. Representative.** No later than the Commencement Date. OWNER shall designate in writing to CONTRACTOR, the name and title of OWNER's authorized representative(s) for all purposes of this Agreement.
- 11. Warranties and Guarantees.** CONTRACTOR will assist OWNER in OWNER's enforcement of OWNER Equipment warranties and guarantees, if any. CONTRACTOR will be responsible for compliance with the terms of warranties on any new equipment purchased after the Effective Date.
- 12. Termination.** Either party to this Agreement may terminate this Agreement upon material breach by the other Party, provided, however, such terminating Party first provide written notice of such breach to the other Party and such breach is not cured within ninety (90) days from the date of the notice or, in the event that a cure is not capable within such ninety (90) day period, such cure is not commenced within such ninety (90) day period.
- 13. Hold Harmless.** CONTRACTOR agrees to and shall defend, indemnify and hold OWNER, its elected and appointed officers, and its employees harmless from any liabilities, claims,

damages or fines (including attorney's fees) for personal injury or property damaged caused by, or arising from the negligence of CONTRACTOR, unless such claims, damages or fines are caused or contributed by the failure of (i) the water or wastewater influent to meet the criteria established as set forth on the Exhibit B-1 hereto; or (ii) by the presence of any hazardous, toxic or radioactive substances within the Facilities. The obligation of CONTRACTOR to hold OWNER harmless is subject to the comparative responsibility provision of this Agreement.

14. Comparative Responsibility. In the event that both CONTRACTOR and OWNER are found by an independent fact finder to be negligent, and the negligence of both is the proximate cause of such claim for damage for personal injury or property damage, then, in that event, each party shall be responsible for the portion of the liability equal to such party's comparative share of the total negligence.

15. Limitations of Liabilities. Each party agrees that it shall not assert any claim for indirect, incidental, consequential, special, punitive or exemplary damages including, but not limited to, claims for lost revenue, profit or business reputation, whether based in tort or contract. Each Party however, reserves the right to seek direct damages in an amount not to exceed the insurance limits specified above for covered claims, or then annual CONTRACTOR Compensation for any uninsured claims.

16. Miscellaneous.

a. Waiver. The failure on the part of either Party to insist in any one or more cases upon the strict performance of any of the provisions of this Agreement, or to exercise any right, remedy or option herein contained, shall not be construed as a waiver of such provisions, right, remedy or option in any other case or similar cases. Any waiver shall be in writing, and signed by the Party to be charged, in order to be enforceable.

b. Assignments. The Agreement shall not be assigned by either Party without the prior written consent of the other Party.

c. Nondiscrimination. CONTRACTOR agrees and shall refrain from unlawful discrimination in employment and undertakes affirmative action to ensure a quality of employment opportunity; shall comply with procedures and requirements of the State Human Right Department's regulations concerning equal employment opportunity and Affirmative Action; and shall provide such information, with respect to its employees and applicants for employment and assistance as the Department may reasonably request.

d. Relationship and Confidentiality. It is understood that the relationship of CONTRACTOR to OWNER is that of an independent CONTRACTOR and that none of the employees or agents of CONTRACTOR shall be considered employee OWNER. OWNER agrees the OWNER will not talk to any employee of CONTRACTOR regarding employment with OWNER without having received the prior permission of CONTRACTOR, which

permission shall not be unreasonably withheld, conditioned or delayed. Except as otherwise required by applicable law, the terms of this Agreement shall be confidential and not disclosed to third parties absent mutual consent, which shall not be unreasonably withheld.

e. **Force Majeure.** Each Party's performance under this Agreement shall be excused if the Party is unable to perform because of actions due to causes beyond its reasonable control, including but not limited to Acts of God, the acts of civil or military authority, any act of national or international terrorism or bioterrorism, floods, epidemics, quarantine restrictions, riots, and strikes. In the event of any such force majeure, the Party unable to perform shall notify the other Party as soon as practicable, but in any event, within twenty-four (24) hours of the existence of such forces majeure and shall be required to resume performances of its obligations under this Agreement upon the termination of the aforementioned force majeure. If any act or event of force majeure occurs which presents CONTRACTOR performing this Agreement, CONTRACTOR agrees to use commercially reasonable efforts to renew its performance under the Agreement as soon as practicable after the ending of the act or event of force majeure. In addition, if a force majeure event occurs and CONTRACTOR's cost of performing its obligations pursuant to this Agreement is adversely affected by such event, CONTRACTOR shall be entitled to price relief from the OWNER in an amount equal to the reasonable increase in the cost of performance due to the force majeure event.

f. **Authority to Contract.** Each Party warrants and represents that it has authority to enter into this Agreement.

g. **Severability.** If any of the terms and conditions of this Agreement are held by any court of competent jurisdiction to contravene or to be invalid under the laws of any political body having jurisdiction over the subject matter hereof, such contravention or invalidity shall not invalidate the entire Agreement, but instead, the Agreement shall be construed as if not containing the particular provision or provisions held to be illegal or invalid, the rights and obligations of the Parties shall be construed and enforced accordingly, and this Agreement shall thereupon remain in full force and effect as so construed.

h. **Notices.** Notice under this Agreement shall be deemed to have been properly given when addressed as provided below, and shall be deemed effective (except as otherwise provided in this Agreement) (i) upon receipt or receipt and refusal if sent by first class mail, return receipt requested, registered or certified; (ii) business day after being sent by overnight courier service; or (iii) when received if sent by facsimile as confirmed by an electronically generated facsimile confirmation. Each Party shall have the right to change its address by giving the other Party written notice thereof.

Notices required to be given to OWNER shall be addressed to:

City of Galena
101 Green Street
Galena, IL 61036
Attention: Mark Moran, City Administrator

Notices required to be given to CONTRACTOR shall be addressed to:

USW Utility Group
1406 Central Avenue
Fort Dodge, Iowa 50501
Attention: Jeffrey L. DuPont, Vice President

With copies (which shall not constitute notice) to:

U.S. Water Services Corporation / USW Utility Group
4939 Cross Bayou Blvd
New Port Richey, FL 34652
Attention: General Manager

i. Entire Agreement, Counterparts and Amendments. This Agreement, together with the Exhibits and Appendices as incorporated herein, shall constitute the entire Agreement between the Parties pertaining to the subject matter hereof and supersedes all other agreements, representations and understandings, both written and oral, any except to the extent incorporated in this Agreement. This Agreement may be executed in any number of counterpart copies, each of which shall be deemed as original, but which together shall constitute a single instrument. No amendment, modifications or alteration of the terms of provisions of this Agreement shall be binding unless the same shall be in writing and dully executed by the Parties hereto, except that any of the terms or provisions of this Agreement may be waived in writing at any time by the Party which is entitled to the benefits of such waived terms or provisions. No waiver of any of the provisions of this Agreement shall be deemed to or shall constitute a waiver of any other provision hereof (whether similar). No delay on the part of any Party in exercising any right, power or privilege hereunder shall operate as a waiver thereof.

j. No Third-Party Beneficiaries. This Agreement is not intended to and shall not confer upon any other person, other than the Parties hereto, any rights or remedies with respect to the subject matter hereof including.

k. Choice of Law. This Agreement shall be governed and construed in accordance with the laws of the State of Illinois. The venue for any litigation of any disputes between the Parties arising out of this Agreement shall be Jo Daviess County, Illinois.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the day and year first above written by their duly authorized officers or representatives.

CITY OF GALENA, ILLINOIS

By: Terry Renner
Name: Terry RENNER
Title: Mayor
Date: 5-14-2019

USW UTILITY GROUP

By: Jeffrey L. DuPont
Name: Jeffrey L. DuPont
Title: Vice President
Date: 5/14/19

EXHIBIT A

Facilities

- Wastewater Treatment Plant located at:
1989 East Cross Road
- 1952 (Reconstructed in 2002) Lift Station located at:
114 Meeker Street
- Industrial Park Lift Station located at:
11326 Technical Drive
- Pluym Lift Station located at:
Oldenburg Lane
- Cobblestone Lift Station located at:
Oldenburg Lane
- Bouthillier Lift Station located at:
Bouthillier Street & Park Avenue
- Hospital Lift Station located at:
Norris Lane
- Water Street Storm Water Pumping Station located at:
Water Street between Green Street and Perry Street
- Riverside Drive Storm Water Pumping Station located at:
Riverside Drive between Spring Street and flood gates
- #5 Well House located at:
1238 Franklin Street
- #6 Well House located at:
Gear Street
- #7 Well House located at:
Industrial Park
- Industrial Park water booster station located at:
Highway 20 and Franklin Street

- Bouthillier water booster station located at:
307 Bouthillier Street
- Water Storage Facilities located at:
1238 Franklin Street
Dodge & Hill Streets
Horseshoe Mound
Industrial Park
- Supervisory Control and Data Acquisition system for above facilities
- 368kW solar array, 3-100kW inverters, and solar building with controls

**EXHIBIT B
CONTRACTOR SERVICES**

The CONTRACTOR Services to be provided by the CONTRACTOR during the term of the Agreement shall include and be limited to the following:

- a. **Facilities Operation.** CONTRACTOR shall use commercially reasonable efforts to operate and manage the Facilities so that the effluent/finished water discharge meets or exceeds the wastewater effluent/finished water requirements established by the United States Environmental Protection Agency ("USEPA") and the Illinois Environmental Protection Agency ("IEPA") under the permits issued by such authority so long as the influent does not exceed the design limitations set forth on Exhibit B-1 ("Facilities Maximum Design Parameters). CONTRACTOR shall comply with all applicable local, state, and federal laws and regulations as they pertain to the Facilities. CONTRACTOR will pay all fines and surcharges resulting solely from the negligence or intentional acts of the CONTRACTOR, which may be imposed by the regulatory agency having jurisdiction for effluent/water quality violations associated with the permits issued with respect to the Facilities; provided, however, that the CONTRACTOR shall have no such obligation in the event that such violations are a result of influent violations at the Facilities Design Limitations or the presence of hazardous or toxic substances.

- b. **Water Distribution and Water Wells System.** CONTRACTOR will operate, maintain and manage the Water Distribution System and the Water Wells to extend their useful life, to provide maximum capacities, to prevent unnecessary damage to public and private property, to minimize inconveniences by handling interruptions in service and to prevent public health hazards. The CONTRACTOR will provide 24-hour per day, seven days per week emergency service and will use commercially reasonable efforts to maintain uninterrupted service to customers. The CONTRACTOR will provide proper and prudent notification to the City and its residents during emergency situations.

The Water Distribution System and Water Wells will be operated, maintained and managed in the following manner:

1. Identify sources of pollution within the system through inspection, monitoring and investigation;
2. CONTRACTOR will schedule and manage a leak detection survey on the distribution system to ensure safe transportation and storage of water throughout the system in compliance with the Safe Drinking Water Act and its amendments;
3. CONTRACTOR will implement a valve operating the inspection program and will exercise, inspect a minimum of fifty (50) valves per year. All activities shall be recorded and communicated to the OWNER;
4. CONTRACTOR will assist the OWNER with the maintenance and improvement of the OWNER's GIS program by documenting the activities and results of their leak

survey, valve maintenance, and other maintenance and improvements to the Facilities;

5. CONTRACTOR will provide commercially reasonable documentation, including photographs and locations, in electronic format whenever possible, of repairs made within the water distribution system;
6. Assist the OWNER with the maintenance of the water system at the swimming pool, ornamental fountains, outdoor drinking fountains, and storm water pump stations;
7. Maintain a high standard of physical appearance for the entire water system at all times which will include general touch up painting. CONTRACTOR shall also perform grass mowing and weed control at all water system facilities. CONTRACTOR will maintain the fire hydrants in a manner to extend their useful life and at a high standard of physical appearance;
8. CONTRACTOR will provide OWNER with documentation, inspection reports, or reports when outside vendors perform major work or repairs on OWNER equipment or facilities.

c. Wastewater Collection System. CONTRACTOR will operate, maintain and manage the Wastewater Collection System in such a manner as to extend the useful life, to provide maximum capacities, to prevent unnecessary damage to public and private property, to minimize inconveniences by handling interruptions in service and to prevent public health hazards. CONTRACTOR will provide 24-hour per day, seven-day-per-week emergency service and will use commercially reasonable efforts to maintain uninterrupted service to customers.

The Wastewater Collection System will be operated, maintained and managed in a manner to:

1. Identify sources of problems within the sewer system through inspection, monitoring and investigation;
2. Clean, maintain and repair sanitary sewers, force mains and lift stations on a regular basis to ensure that wastewaters are transported to wastewater treatment facilities in compliance with NPDES permits;
3. Prevent sewage from bypassing to waters of the State and to protect the Collection System from flooding due to high water, in accordance with the Water Pollution Control Acts Amendments, Public Law 92-500 and the Clean Water Act Amendment;
4. Eliminate potential sources of odors;
5. CONTRACTOR shall implement a customer service program to inspect all sewer related customer complaints and respond to the customer or the consultant on the results of these inspections;
6. Maintain a high standard of physical appearance for the entire wastewater system at all times;
7. Implement a preventative maintenance program; and

8. CONTRACTOR will assist the City with the development, implementation, and management of an inflow and infiltration ("I/I") program, FMC will assist OWNER's personnel or outside vendors with manhole location for inspection, surveying, or cataloging, CONTRACTOR will assist the OWNER with the OWNER's the development, implementation, and management of a GIS program to record information and location of water and sewer infrastructure;
 9. CONTRACTOR will provide commercially reasonable documentation, in electronic format when possible, of repairs made within the sanitary sewer collection system;
 10. CONTRACTOR will provide OWNER with documentation, inspection results, or reports when outside vendors perform major work or repairs on OWNER's equipment or facilities.
- d. Project Management and Staffing.** CONTRACTOR shall monitor the Facilities on a seven (7) day per week, twenty-four (24) hour per day basis). CONTRACTOR shall staff the Facilities with a Facilities Manager, experienced in the areas of water/wastewater treatment, process control, water/wastewater laboratory analysis, and maintenance procedures for water/wastewater treatment facilities and three other fulltime staff. An allowance of \$12,000 is also included in the compensation to the Contractor for a part-time or seasonal employee(s). All staff shall work exclusively for the Galena contract and not be shared with other contracts. The Facilities' staff shall have required licenses or waivers necessary to lawfully operate the Facilities. In the event that CONTRACTOR replaces the Facilities Manager during the term of the Agreement, the OWNER will have the ability to provide input and review the qualifications of the new Facility Manager CONTRACTOR selects prior to the hiring of the new Facility Manager.
- e. Project Support.** CONTRACTOR shall as required and determined by CONTRACTOR, provide on-call, backup expertise in operations, management, and maintenance applications to ensure compliance with this Agreement.
- f. Maintenance Management.** CONTRACTOR shall institute a preventive maintenance program for all OWNER Equipment and Facilities. Record maintained by CONTRACTOR shall include the history of maintenance and the schedule of programmed maintenance throughout the term of this Agreement for each item of OWNER Equipment and Facilities. Records shall be the property of the OWNER and may be obtained by the OWNER upon reasonable prior notice and upon termination or expiration of the Agreement. Standard operating and maintenance procedures will be established by CONTRACTOR, consistent with industry-wide practices, for each major piece of OWNER Equipment and Facilities. Contractor shall also develop and maintain a system for tracking the useful life and replacement schedule for each major piece of OWNER equipment and Facilities.
- g. Operational Costs and Expenses.** CONTRACTOR shall pay all costs of CONTRACTOR employees, fuels, electricity, chemicals, services, spare parts, materials, maintenance, sludge disposal, repairs and expendable supplies required in the normal operation and

maintenance of the Facilities, except, and in the event, such expenses are further limited within this Agreement.

- h. Corrective Action.** In the event tht the effluent quality is not in compliance with regulatory requirements, CONTRACTOR will submit a report to OWNER outlining the proposed corrective action and a schedule.
- i. Hazard Substance.** In the event that any hazardous substance is received at the facilities, CONTRACTOR shall notify OWNER and assist OWNER in the removal and/or reduction of such hazardous substance. In the event that any hazardous substance cannot be treated or removed using the processes and equipment provided, and if effluent parameter(s) affected by any hazardous substance listed in the permits are exceeded, and the hazardous substance was not the result of CONTRACTOR's negligence, CONTRACTOR shall not be responsible for permit compliance or additional operational costs until the hazardous substance is removed from the Facilities and the Facilities are completely recovered and capable of generating effluent quality within design parameters. For all purposes of this Exhibit B and the Agreement to which it is attached, "hazardous substance" shall mean (a) any petroleum, petroleum products, by-products or breakdown products, radioactive materials, asbestos-containing materials or polychlorinated biphenyls; or (b) any chemical, material or substance defined or regulated as hazardous or as a pollutant, contaminant or waste under any statue, law, ordinance, by-law, decree, regulation, code. Order, rule or judgment of any governmental authority having the force of law.
- j. Biological Toxic Substance.** In the event any biological toxic substance is received at the facilities, CONTRACTOR shall notify OWNER and assist OWNER in the removal and/or reduction at the Facilities, CONTRACTOR shall notify OWNER and assist OWNER in the removal and/or reduction of such biological toxic substance. In the event that any biological toxic substance cannot be treated or removed using the processes and equipment provided, and if effluent parameter (s) affected by the biological toxic substance listed in the permits are exceeded, CONTRACTOR shall not be responsible for permit compliance or additional operational costs until the biological toxic substance is removed from the Facilities and the Facilities are completely recovered. For all purposes of this Exhibit B and the Agreement to which it is attached, "biological toxic substance" shall mean any substance or combination of substances contained in the Facilities' influent in sufficiently high concentrations so as to interfere with the biological processes necessary for the removal of the organic and chemical constituents of the wastewater. The rebuttal presumption shall be that any biological toxic substance proven to be present in the Facilities entered with the influent. Biological toxic substances include, but are not limited to, heavy metals, phenols, cyanides, pesticides, herbicides, acids, caustics, chlorine, quaternary ammonia and other cleaning sanitizing compounds.
- k. Handling and Disposal of Contaminated Sludge.** If the influent contains abnormal, hazardous or biologically toxic substances, the sludge from such influent shall be deemed

contaminated. CONTRACTOR shall make every effort to isolate such contaminated sludge consistent with current USEPA and IEPA guidelines. OWNER shall reimburse CONTRACTOR for express directly related to disposal of the contaminated sludge.

If any sludge from the wastewater treatment plant is classified as "hazardous waste" as defined by the USEPA, which means that the regulatory agencies require the sludge to be transported to a designated hazardous waste landfill, CONTRACTOR shall notify OWNER and request permission to transport the sludge to a designated landfill. OWNER shall reimburse CONTRACTOR for the actual costs of transport, landfill fees and any other verifiable out-of-pocket expenses associated with the handling and disposal of sludge. CONTRACTOR shall comply with ANSCI, OSHA, the industrial Commission and other federal, state and local laws and regulations applicable to the operation of trucks and other miscellaneous equipment used for the disposal of said sludge. No vehicle shall be overloaded.

- l. Sludge Management and Sludge Disposal.** CONTRACTOR shall be responsible for handling and disposing of sludge residuals generated by the facilities in a manner consistent with all applicable regulations of the USEPA and the IEPA, OWNER is responsible for providing the equipment used for sludge disposal.
- m. Testing Laboratory Analysis.** CONTRACTOR shall perform the sampling and analysis of the appropriate influent and effluent as outlined in OWNER's permit, and as required for the proper operation of the Facilities. CONTRACTOR shall prepare all permit monitoring and operations reports and submit them to OWNER for final review and sign-off prior to the appropriate regulatory agency having jurisdiction over the Facilities.
- n. Reporting.** CONTRACTOR will submit internal reports relating to the operations of the Facilities to owner and assist OWNER in OWNER's reporting requirements to local, state, and federal regulatory for representing OWNER with the relevant regulatory agencies and advise OWNER of all meetings, hearings and relevant related information for the Facilities. Upon request by CONTRACTOR, OWNER shall participate in such meetings of regulatory or governmental agencies as CONTRACTOR deems necessary.
- o. Record of Operation.** Records maintained by CONTRACTOR will be in compliance with all applicable law and regulations. These records, capable of providing historical data and trend, will be the property of OWNER. CONTRACTOR will maintain these records at the Facilities site, available during the term of this Agreement for use by authorized OWNER personnel. CONTRACTOR agrees to provide OWNER's officials with access to the Facilities at any time upon reasonable prior notice.
- p. Safety.** CONTRACTOR shall administer a site-specific safety program to include training, record keeping, and safety meetings, all in conformance with the OWNER safety program, and any requirements of the State of Illinois.

- q. **Training.** CONTRACTOR shall implement an ongoing training program, with classroom and hands-on training for all Facilities personnel. Training will include Facilities operations and maintenance, laboratory operations and maintenance, supervisory skills and energy management.
- r. **Odor Control.** CONTRACTOR will operate and maintain the Facilities to minimize the generation of odors through an ongoing odor control program. In the event of an odor generating event from the Facilities, CONTRACTOR will assist OWNER in the development and implementation of a corrective action plan to mitigate the odor generation. CONTRACTOR will work with OWNER to deal in a concerned, professional manner with any individuals or community groups concerned with odors.
- s. **Capital Budget Submission.** On an annual basis, CONTRACTOR will provide a formal report to OWNER on CONTRACTOR's projection of capital needs and assist OWNER with the preparations of the OWNER's annual budget. CONTRACTOR shall also, if requested, annually submit its recommendations regarding additions to or deletions from Owner's long-term capital program. CONTRACTOR will submit detailed rationale for any changes or additions, and preliminary cost estimates. Implementations of these recommendations by OWNER, however, is not a condition of CONTRACTOR's performance of the CONTRACTOR Services. Review and approval of these capital expenditures shall remain the responsibility of OWNER.
- t. **Emergency Response Plan.** CONTRACTOR will develop, maintain, and implement, if necessary, an emergency response plan for the Facilities that will be in compliance with all applicable regulations.
- u. **368 kW Solar Array, 3-100kW Inverters, and Solar Building with Control.** CONTRACTOR will monitor the solar array, invertors and controls on a weekly basis and make the OWNER aware of operational problems or issues that might warrant maintenance or repair. CONTRACTOR will also provide grounds maintenance for the solar array to prevent the growth of weeds in the gravel under the panels. Maintenance, repair and replacement work on the solar array equipment itself will be the responsibility of the OWNER
- v. **Energy Efficiency.** CONTRACTOR shall use commercially reasonable efforts to recycle, minimize energy use, and operate in an environmentally sustainable manner. CONTRACTOR shall report regularly to OWNER to detail energy efficiency efforts.

EXHIBIT B-1
Maximum Design Parameters of Facilities

CONTRACTOR will operate and maintain the Water/Wastewater Facilities so the water quality will meet the requirements of the Safe Drinking Water Act and the effluent meets the requirements of all applicable permits.

Wastewater:

CONTRACTOR will be responsible for meeting the effluent quality requirements of all applicable permits unless one or more of the following occurs:

- The influent to the treatment plant does not contain adequate nutrients to support operation of biological process and/or contains toxic substances which cannot be removed by existing processes and facilities.
- Toxic discharges into the sewer system in volumes which would make compliance with discharge limits substantially impossible.
- The flow, influent BOD, influent TSS and/or influent Ammonia is greater than the plant design in parameters, which are the following:

Average Flow	1.171 MGD
Peak Flow	4.241 MGD
Influent BOD	2,240 lbs/day
Influent TSS	2,660 lbs/day
Influent Ammonia	400 lbs/day

- If the Treatment Plant can operate only at reduced capacity due to construction activities, fire, flood, adverse weather conditions, labor disputes or other causes beyond CONTRACTOR's control.

Water:

CONTRACTOR will be responsible for meeting the finished water quality requirements of the Safe Drinking Water Act unless one or more of the following occurs:

- The raw water to the treatment plant contains toxic substances which cannot be removed by existing process and facilities;
- Toxic discharges into the water supply system in volumes which would make compliance with water quality limits substantially impossible;
- The peak production, influent manganese is greater than the plant design parameters, which are the following:

Peak Production Rate	3.89 MGD
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- If the Treatment Plant can operate only at a reduced capacity due to construction activities, fire, flood, adverse weather conditions, labor disputes or other causes beyond CONTRACTOR's control; and
- In the event that influent raw water quality characteristics change when compared to current raw water from the existing ground water supply.

Certified Public Water Supply Operator

Name of Certified Operator: (Insert Name)
Operator 9-digit ID number: (Insert Number)
Mailing Address: (Insert Address)

Email: (Insert Email)

Exhibit C
OWNER's Equipment

- Lift Station built in 1952 and reconstructed in 2002, including:
 - Three (3) 20 hp Flygt submersible pumps
 - Metropolitan control panel
 - Olympian 12 kW stand-by generator
- Industrial Park Lift Station, including:
 - Two (2) 20 hp Fairbanks Morse pumps
 - USCONTRACTORO Control Panel
- Pluym Lift Station, including:
 - Two (2) 5 hp Hydromatic submersible pumps
 - Hydromatic Control Panel
 - Olympian 50 kW Generator
- Cobblestone Lift Station, including:
 - Two (2) hp Hydromatic submersible pumps
 - Hydromatic Control Pane
 - Olympian 30 kW Generator
- Bouthillier Lift Station, including:
 - Equipment to be determined
- Hospital Lift Station, including:
 - Two (2) 15 hp Fairbanks Morse submersible pumps
 - Control Panel
 - Olympian 50 kW Generator
- Storm Water Pumping Stations at Water Street and Riverside Drive
 - Cummins 250 kW generator
- 1.171 MGD wastewater treatment plant, oxidation ditch type built in 2002, comprising:
 1. Administration Building with:
 - Garage / Shop Area
 - Restroom /Locker Facilities
 - General Purpose Room
 - Office
 - SCADA Room
 - Laboratory Facilities

2. Screening Building with:
 - Parkson Mechanical Step Screen and Wash Press
 - Altronex SCCB Motor Control Center

3. BNR / Oxidation Ditches with:
 - Two (2) EIMCO/EMU 8.5 hp BNR Mixers
 - Four (4) EIMCO 40 hp Carousel Aerators

4. Two (2) 250,000 gallon US Filter clarifiers with aluminum Covers

5. Biosolids Control Building with:
 - Komline Sanderson 1.5 meter gravity belt thickener / belt filter press
 - Parkson biosolids conveyors
 - Dynablend polymer feed system
 - Altronex SCCA Motor Control Center
 - One (1) Sump Pump
 - Two (2) Hayward Gordon model XCS5A WAS Pumps
 - Three (3) Hayward Gordon model XCS5A RAS Pumps
 - Three (3) Netzsch progressive cavity BST Pumps
 - Two (2) Crane Deming Plant Water System
 - Metropolitan Industries Non-Potable Water System
 - Potable Water System
 - Site Well (non-potable)
 - Three (3) Garner Denver Positive Displacement Blowers for Digesters

6. Two (2) Aerobic Digesters with Sanitiare Fine Bubble Diffusers

7. Biosolids Storage Building

8. Trojan Ultraviolet Disinfection

9. Influent Pumping Station with:
 - Two (2) 25 hp Fairbanks Morse Submersible Pump
 - Two (2) 75 hp Flygt Submersible Pumps

10. 368kW solar array, 3-100 kW inverters, and solar building with controls

- Wastewater Collection System, consists of approximately 28.2 miles of gravity sewer that is predominantly eight-inch with some six-, ten-, twelve-, fifteen- eighteen- and thirty-inch pipes of clay, concrete and PVC. The system also contains 1.6 miles of sanitary force main.

- Well houses and treatment points comprised of:
 1. #5 Well House (ID#11739), with 150 hp submersible pump producing 1100 gpm and discharges to 450,000 gallon elevated tank;
 2. #6 Well House (ID#11740), with vertical turbine pump producing 500 gpm and discharges directly to distribution system;
 3. #7 Well House (ID#01535) with 200 hp submersible pump producing 1100 gpm and discharges to 500,000 gallon elevated tank.
200 Onan 350 kW generator
 4. Treatment consists of phosphate injection, chlorination and fluoridation.

- Water storage facilities comprised of:
 1. 450,000 gallon elevated storage tank
 2. 750,000 gallon standpipe
 3. 300,000 gallon ground tank
 4. 500,000 gallon elevated storage tank

- Industrial Park Booster Station comprised of:
 1. One (1) Deming 11/2 hp pump rated at 36 gpm
 2. One (1) Deming 3 hp pump rated at 65 gpm
 3. One (1) Deming 40 hp pump rated at 940 gpm
 4. USEMCO control panel

- Bouthillier Booster Station comprised of:
 1. Two (2) Peerless 30 hp pumps rated at 450 gpm each
 2. USEMCO control panel

- Water Distribution System consisting of four pressure zones and 12 pressure reduction stations. Water mains consist of approximately 28.5 miles of two, four, six, eight, ten, and twelve-inch pipe of cast iron, ductile iron, and PVC.

- Rolling stock
 1. 2015 Ford F-250 ¾ ton pickup with utility box
 2. 2012 Chevrolet ¾ ton pickup with utility box and Western Snowplow
 3. 2007 Chevrolet ¾ ton pickup
 4. 2007 Dodge ¾ ton pickup
 5. 2004 Oman trailer mounted generator
 6. 2001 Sniper 747 sewer jet machine
 7. 1996 New Holland LX665 skid loader
 8. 1984 GMC 7000 series spreader truck with Meyers spreader