



M E M O R A N D U M

**City of Austin
Financial Services Department
Purchasing Office**

DATE: November 27, 2018
TO: Memo to File
FROM: Georgia Billela, Procurement Specialist III
RE: MA 2200 NI140000019 and NI190000003

This Master Agreement Contract was created and administered by Austin Water. All original documents are located with the department. The Purchasing Office is not responsible for any procurement action for this Master Agreement Contract other the creation of the payment mechanism for accounting purposes. According to City Council NI140000019 was closed out and created a new MA NI190000003 was established.

**INTERLOCAL AGREEMENT REGARDING
TREATMENT PLANT MANAGEMENT AND OPERATION**

THIS INTERLOCAL AGREEMENT REGARDING TREATMENT PLANT MANAGEMENT AND OPERATION (the "ILA") is entered into the 1st day of October, 2018 by and among the City of Austin, Texas ("Austin"), the City of Cedar Park ("Cedar Park"), the City of Leander ("Leander"), and the City of Round Rock ("Round Rock"), collectively referred to as the "Cities."

RECITALS

WHEREAS, on the 4th day of June, 2010 the Cities entered into that one certain Amended and Restated Master Contract for the Financing, Construction, Ownership, and Operation of the Brushy Creek Regional Wastewater System (the "Master Contract"); and

WHEREAS, pursuant to the Master Contract, the Cities own and operate the Brushy Creek Regional Wastewater System (the "BCRWWS"); and

WHEREAS, since the 1st day of October 2011, the Cities have contracted with the Brazos River Authority (the "BRA") to provide plant management and operation services; and

WHEREAS, Round Rock has committed to providing more economical and efficient plant management and operation services: and

WHEREAS, the Cities have determined that Round Rock is in a reasonable position to provide the required services because the treatment plants are located within the city limits of Round Rock; and

WHEREAS, the purpose of this ILA is to set forth the terms and conditions under which Round Rock will contract with the other Cities to provide the required plant management and operation services while Round Rock will still maintain its rights and obligations as one of the Cities; and

WHEREAS, the Cities wish to document their agreement concerning the obligations and responsibilities of Round Rock and the other Cities;

NOW, THEREFORE, in consideration of the foregoing premises and the mutual promises and agreements of the Cities contained in this ILA, the Cities agree as follows:

**I.
DEFINITIONS**

1.01. When used in this ILA, capitalized terms not otherwise defined in the Master Contract shall have the meanings set forth below:

"Actual Annual Expenditures" means all recorded financial transactions for Operation and Maintenance Expenses, Capital Expenses, Management Fee, Repair and Replacement Fund, or other costs related to the Annual Budget during any Fiscal Year.

"Additional Service(s)" means activities performed by Round Rock which are not specifically defined in the Scope of Work of this Agreement and which are performed for the Cities at an additional cost, agreed to by the Parties.

"Annual Budget" means the combination of the Operation and Maintenance Budget, Capital Expense Budget, Management Fee, and Repair and Replacement Fund.

"BCRWWS" means the Brushy Creek Regional Wastewater System.

"ILA" means this "Interlocal Agreement Regarding Treatment Plant Management and Operation Services."

"Management Services" mean the services set forth in Article III below, and in the Scope of Work attached hereto as Exhibit "A".

"Master Contract" means the Amended and Restated Master Contract for the Financing, Construction, Ownership and Operation of the Brushy Creek Regional Wastewater System, dated June 4, 2010.

"Miscellaneous Employee" means additional full or part-time employees, outside of Plant Superintendent and Plant Operators, as are needed for routine testing, maintenance, repair, operation, etc. of the BCRWWS.

"Monthly Budget Payments" means an amount equal to one-twelfth of the Annual Budget, to be paid to Round Rock by the Cities.

"Operations Committee" shall have the meaning provided in the Master Contract.

"Operator" means the entity with which the Cities contract to operate the BCRWWS, as defined in §1.1(y) of the Master Contract. For the purposes of the Master Contract and this ILA, the "Operator" is Round Rock.

"Permit" or "Permits" means any necessary permit, license, order, and other governmental approvals issued by any Federal, State, local or regulatory agency that may now or hereafter have jurisdiction and related to a Regulatory Requirement associated with the construction, maintenance, or operation of the System, including, but not limited, to Texas Pollutant Discharge Elimination System (TPDES) Permits issued by the TCEQ for the System.

"Plant Operators" means the person(s) responsible for the day-to-day operation of the BCRWWS.

“Plant Operations Costs” means all costs and expenses incurred by Round Rock for the Plant Operations Services.

“Plant Operations Services” means the general operation services performed and to be performed by the Plant Superintendent, Plant Operators, and miscellaneous employees for the BCRWWS set forth in the Scope of Work attached hereto as Exhibit “A”.

“Plant Superintendent” means the person responsible for providing supervision and oversight for the operations and maintenance of the BCRWWS.

“Reasonable Standards” means activities conducted in accordance with municipal wastewater collection and treatment standards and at the lowest reasonable cost consistent with reliability and safety, which includes but is not limited to: sound engineering principles, manufacturers' recommended operating and maintenance criteria, regulatory requirements (including regulations promulgated by any governmental or regulatory authority or agency having jurisdiction), and those set by the Operations Committee.

“Reconciliation Value” means the difference between the Annual Budget and the Actual Annual Expenditures recorded in Round Rock’s financial accounting system in a Fiscal Year and agreed to by the Cities.

“Repair and Replacement Fund” means those funds to be used at the discretion of Round Rock for the purpose of making unscheduled repairs and replacements to the System when prompt action is deemed necessary by the for expenses which are not contemplated in the Annual Budget.

II. PLANT OPERATIONS SERVICES

2.01. Services. Round Rock will, in accordance with the Master Contract in Section 4.5, operate and maintain the System, as such operations are more particularly described in **“Exhibit A”**, attached hereto and incorporated by reference herein. **“Exhibit A”** is referred to herein as the **“Scope of Work.”** On behalf of the other Cities, Round Rock shall operate and maintain the System in accordance with regulatory requirements and Reasonable Standards.

2.02. Additional Services. In contemplating performance under the terms of this agreement Round Rock and the Cities hereby acknowledge that from time to time, as requested, Round Rock may provide additional services to the other Cities which are related to the System but are not contemplated by the Scope of Work established herein. In that regard, Round Rock and the other Cities shall detail, by separate written instrument, a description of the services to be performed, the cost of the service, and the terms and methods of compensation, if any, to Round Rock.

2.03. Direction to Round Rock. The Operations Committee shall provide guidance to Round Rock, and direct as appropriate, regarding all terms and conditions of this Agreement for the services provided by Round Rock, as defined in Section 4.13 of the Master Agreement. The Round Rock Director of Utilities shall be the single point of contact with the Operations Committee.

2.04. BCRWWS Equipment. In performing the services contemplated herein, Round Rock shall utilize the equipment, machinery, supplies and inventory located at either of the two treatment plant sites, but all such items shall remain the property of the System. Round Rock shall repair and maintain all equipment and machinery in accordance with its condition and usable life as an Operating and Maintenance Expense. In addition, Round Rock may acquire as an Actual Annual Expenditure, from time to time, equipment and/or tools to operate and maintain the System and these items shall become the property of the System.

2.05. Round Rock Equipment. Round Rock may, from time to time, use owned, leased, or rented equipment in the services of this Agreement. Such utilization shall be incorporated into the Annual Budget and paid for as an Actual Annual Expenditure.

2.06. Plant Superintendent

(a) Round Rock will employ a qualified person who is to perform the duties of the Plant Superintendent. The Plant Superintendent shall be placed on the Round Rock employment rolls and assigned full-time to the BCRWWS and shall work with, and report to the Round Rock Director of Utilities.

(b) The Plant Superintendent will perform and provide such employment duties and services as are assigned from time to time by Round Rock, including, but not limited to, those delineated in Exhibit "A".

2.07. Plant Operators

(a) Round Rock will employ one or more qualified persons who are recruited, selected and designated by Round Rock for employment as Plant Operators. Pursuant to this ILA, the Plant Operators shall be assigned full-time to the BCRWWS, and shall work with, report to and be supervised by the Plant Superintendent and the Round Rock Director of Utilities.

(b) The Plant Operators will perform and provide such employment duties and services as are assigned from time to time by the Plant Superintendent and the Round Rock Director of Utilities, including, but not limited to, those delineated in Exhibit "A".

2.08. Miscellaneous Employees. Round Rock will provide additional employees as are needed for routine testing, maintenance, repair, operation, etc. of the BCRWWS.

2.09. Access to Work Product. All work product produced by the Plant Superintendent, Plant Operators, and Miscellaneous Employees shall be the property of the BCRWWS, and any member of the Operations Committee and all of the Cities shall be entitled to copies of any such work product produced by such employees in connection with their services. The City requesting a copy of such information shall pay all reasonable costs incurred in preparing and furnishing the copies.

2.10. Personnel Policies. The Plant Superintendent, Plant Operators, and Miscellaneous Employees shall be subject to and covered by the same personnel policies and related personnel

rules and regulations of Round Rock as are applicable to the employees of Round Rock, as modified and amended from time to time.

2.11. Plant Operation Cost. The Plant Operation Cost shall be included in the Operation and Maintenance Budget of the BCRWWS.

III. MANAGEMENT SERVICES

3.01 Management Services. In addition to Plant Operation Services, Round Rock will provide Management Services as described in the Scope of Work set forth in Exhibit "A". Compensation for Management Services is specified in Section VII Financial Issues Prices and Terms: Payments by Contracting Parties.

IV. REPAIR AND REPLACEMENT FUND

4.01. Repair and Replacement Fund. A Repair and Replacement Fund shall be established as part of the Annual Budget and shall be held in an interest bearing account.

4.02. Determination of Necessity to Repair. Round Rock shall be responsible for determining the necessity of any Emergency Repairs. Upon making any determination that Emergency Repairs are required, Round Rock shall promptly notify the Operations Committee. Round Rock shall procure, design, construct, acquire, and/or install any such improvements related to the Emergency Repairs. At the request of the Operations Committee after the completion of the Emergency Repairs, Round Rock shall provide a written report that specifies in reasonable detail the Emergency Repairs and the cause of the emergency.

4.03. Restoration Fund. For each Fiscal Year, Round Rock shall include, as a component of the Reconciliation Value, an amount sufficient to restore the Repair and Replacement Fund to the minimum balance of \$120,000.00.

V. CONDITIONS TO OBLIGATIONS OF PARTIES; OWNERSHIP OF FACILITIES

5.01. Ownership of Improvements and Repairs. All Capital Improvements or Emergency Repairs shall become the property of the System, recorded as an asset of the System, titled to the System, and insured by the Cities to the extent required.

VI. BUDGETS AND RECONCILIATION

6.01. Annual Budget Preparation. On or before June 1st prior to the beginning of each Fiscal Year hereafter, Round Rock shall furnish the Operations Committee with an updated estimate of the Annual Budget (indicating amounts for each of the budgets comprising the Annual

Budget), for the next Fiscal Year plus an estimate of the Reconciliation Value for the current Fiscal Year, pursuant to the Mater Contract.

6.02. Notice of Monthly Budget Payments Calculation. On or before August 1st, prior to the beginning of each Fiscal Year hereafter, Round Rock shall furnish the Operations Committee with a schedule of the Monthly Budget Payments to be made by the Cities to the BRA for the next ensuing Fiscal Year. Operations and Maintenance Expenses and the Management Fee shall be allocated to Cities based upon the Annual Flow Percentage. Capital Expenses shall be allocated to Cities based on Reserved Capacity.

6.03. Monthly Budget Performance Reporting. By the 25th of each month, Round Rock will provide a report to the Operations Committee documenting expenses related to the Annual Budget (indicating amounts for each of the budgets comprising the Annual Budget) through the preceding month.

6.04. Adjustments. If any changes in the "Scope of Work" as more particularly described in "Exhibit A," should occur, including, but not limited to, changes in Regulatory Requirements that increase the cost of the Annual Budget, Round Rock will be entitled to additional compensation. The additional compensation will be negotiated in good faith by the Operations Committee and Round Rock within 30 days of receiving such request from Round Rock. The Monthly Budget Payments Calculation will be adjusted to reflect the additional compensation and the new amount will be invoiced as soon as practical.

6.05. Calculation of Reconciliation Value. On or around the 90th day following the close of a Fiscal Year, the Reconciliation Value will be computed and may result in an increase or decrease on the remaining Monthly Budget Payments for the current Fiscal Year.

VII.

FINANCIAL ISSUES

PRICES AND TERMS; PAYMENTS BY CONTRACTING PARTIES

7.01. Compensation for Management Services. It is agreed by all parties that Round Rock shall receive as its compensation for the Management Services the sum of \$28,180 per month for the term of this contract. Round Rock shall invoice the Cities (including Round Rock) for their proportionate share of the foregoing sum on the basis of their Annual Flows, as defined in Section 8.2 of the Master Agreement.

7.02 Adjustment of Compensation. Round Rock shall be entitled to adjust its compensation for the Management Services in October of each calendar year beginning with October 2019. The adjustment will be made in accordance with the percentage change in the U.S. Department of Labor Consumer Price Index (CPI-U) for all Urban Consumers. The adjustment will be determined by comparing the percentage difference between the CPI in effect for May, 2018 to the CPI in effect for May 2019, and each May thereafter. The percentage difference between those two CPI issues will be the adjustment rate. The adjusted compensation will take effect on October 1 of each calendar year, beginning with October 1, 2019 and each calendar year thereafter. The CPI is found

at the Bureau of Labor Statistics, Consumer Price Index website: <http://www.bls.gov/cpi/>.

7.03. Payments. It is acknowledged and agreed that payments to be made under this Agreement will be the primary source available to Round Rock to provide for the Actual Annual Expenditures. Payments made by the Cities under this Agreement shall be made from current revenues available to the Cities.

7.04. Services. All services, work, and activity specified in Section 2.01 to be provided by Round Rock to the Cities in this Agreement will be provided in consideration of the payment of the Management Fee and the Operation and Maintenance Expense. Any additional services requested by the Cities and provided by Round Rock will be subject to additional compensation to Round Rock in addition to the Management Fee and the Operation and Maintenance Expense.

7.05. Credit for Revenues. On behalf of the BCRWWS, Round Rock shall collect revenues in accordance with rates approved by the Operations Committee, from any activity in which assets of the BCRWWS are used by Round Rock or entities other than the Cities. The Cities shall receive credit to the Operations and Maintenance Budget for revenue generated by Round Rock for operation, maintenance and use of the BCRWWS, including but not limited to septic hauler discharge permits and fees, sludge processing, and interest income on funds held by Round Rock under this Agreement.

7.06. Billing and Payment. By the 15th of each month, Round Rock will send an invoice to each of the Cities for the Monthly Budget Payments for the subsequent month and any previously unbilled Additional Services. Round Rock must receive full payment for the invoice from the Cities on or before the 15th day of the month following the invoice date (no later than 30 days) to prevent Interest on Past Due Payment. All amounts due and owing Round Rock by the Cities, if not paid when due, shall bear interest at a rate equal to the sum of (1) one percent; and (2) the prime rate as published in the Wall Street Journal on the first day of July of the preceding fiscal year that does not fall on a Saturday or Sunday. Round Rock shall have the ability to terminate this Agreement without further liability or obligation if any of the Cities should remain delinquent in any payments due hereunder for a period of ninety (90) days.

7.07. Audit. The other Cities have the right, subject to a three (3) business day notice and during normal business hours, at their cost, to inspect or audit the books and records applicable to this Agreement for any Fiscal Year to determine whether Round Rock has complied with the terms of this Agreement.

VIII. EFFECTIVE DATE, START DATE, AND TERM

8.01 Effective Date. This ILA is approved by the Cities to be effective as of the 1st day of October, 2018.

8.02 Start Date. Round Rock will begin providing the Plant Operations Services and the Management Services on October 1, 2018, or earlier date if agreed by all parties.

8.03 Term. Except as provided below, the term of this ILA shall be ten years, and shall expire September 30, 2028

8.04 Termination Notice. At any time after the first year of the term, Round Rock shall have the option to terminate this ILA for any or no reason by giving one (1) year written notice to the other Cities of its exercise of the option to terminate. Likewise, by unanimous agreement, Austin, Cedar Park, and Leander shall collectively have the option to terminate this ILA for any reason or no reason by giving one (1) year written notice to Round Rock of their exercise of the option to terminate.

IX. GENERAL PROVISIONS

9.01 Authority. This ILA is made in part under the authority conferred in Chapter 791, *Texas Government Code* and Section 402.001, *Texas Local Government Code*.

9.02 Severability. The provisions of this ILA are severable and, if any provision of this ILA is held to be invalid for any reason by a court or agency of competent jurisdiction, the remainder of this ILA will not be affected and this ILA will be construed as if the invalid portion had never been contained herein.

9.03 Payments from Current Revenues. Any payments required to be made by a Party under this ILA will be paid from current revenues or other funds lawfully available to the Party for such purpose.

9.04 Cooperation. The Parties agree to cooperate at all times in good faith to effectuate the purposes and intent of this ILA.

9.05 Amendments. Any amendment of this ILA must be in writing and will be effective if signed by the authorized representatives of the Parties.

9.06 Applicable Law; Venue. This ILA will be construed in accordance with Texas law. Venue for any action arising hereunder will be in Williamson County, Texas.

9.07 Notices. Any notices given under this ILA will be effective if (i) forwarded to the other Party by hand-delivery; (ii) transmitted to the other Party by confirmed telecopy; or (iii) deposited with the U.S. Postal Service, postage prepaid, certified, to the address of the Party indicated below. The addresses of the Parties shall, until changed as provided, be as shown above. The Parties shall have the right at any time to change their respective addresses by giving written notice of same to the other party.

AUSTIN:

P.O. Box 1088
Austin, Texas 78767
Attn: Director, Austin Water
Telephone: (512) 972-0109
Email: Greg.Meszaros@austintexas.gov

with copy to:

City Law Department
P.O. Box 1088
Austin, Texas 78767
Attn: Division Chief, Utility & Regulatory
Division
Email: Andy.Perny@austintexas.gov

CEDAR PARK:

450 Cypress Creek Road, Bldg. 1
Cedar Park, Texas 78613
Attn: Sam Roberts
Telephone: (512) 401-5000
Email: sam.roberts@cedarparktexas.gov

with copy to:

J.P LeCompte
City Attorney
450 Cypress Creek Road, Bldg. 1
Cedar Park, Texas 78613
Email: JP.LeCompte@cedarparktexas.gov

ROUND ROCK:

221 East Main
Round Rock, Texas 78664
Attn: Michael Thane
Telephone: (512) 218-3236
Email: mthane@roundrocktexas.gov

with copy to:

Steve Sheets
309 E. Main Street
Round Rock, Texas 78664-5264
Telephone: (512) 255-8877
Email: steve@scrllaw.com

LEANDER:

P.O. Box 319
Leander, Texas 78646-0319
Attn: Wayne Watts
Telephone: (512) 259-1178
Email: w.watts@ci.leander.tx.us

with copy to:

Paige Saenz
223 W. Anderson Lane, Suite A-105
Austin, Texas 78752
Telephone: (512) 323-5778
Email: paige@cityattorneytexas.com

9.08 Force Majeure. Parties shall not be deemed in violation of this ILA if prevented from performing any of their obligations hereunder by reasons for which they are not responsible or due to circumstances beyond their control. However, notice of such impediment or delay in performance must be timely given, and all reasonable efforts undertaken to mitigate its effects.

9.09 Entire Agreement. This Agreement, including any exhibits attached hereto and made a part hereof by reference for all purposes, constitutes the entire agreement between the parties relative to the subject matter of this Agreement and supersedes all prior or contemporaneous agreements, representations, covenants, or warranties, whether oral or in writing, respecting the subject matter hereof.

9.10 No Third-Party Beneficiary. This Agreement shall be construed as an interlocal contract respecting the performance of governmental services and nothing herein shall be construed to confer any right, privilege, or benefit on any person or entity not a party hereto or otherwise creates any vested right or third-party beneficiary relationship.

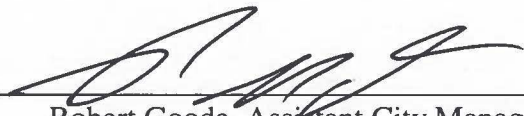
9.11 Counterparts. This ILA may be executed simultaneously in multiple counterparts, each of which will be deemed an original, but all of which will constitute the same instrument.

9.12 Authority. Each Party represents and warrants that it has the full right, power and authority to execute this ILA.

9.13 Negotiation and Mediation of Disputes. The Parties agree that they will handle any disputes in compliance with Article XI of the Master Contract.

SIGNATURES ON FOLLOWING PAGES

CITY OF AUSTIN:

By: 
Robert Goode, Assistant City Manager

Date: 9/12/13

ATTEST:

Sara White
Sara White, City Clerk

CITY OF ROUND ROCK:


By: Craig Morgan
Craig Morgan, Mayor

Date: 7.26.18

CITY OF CEDAR PARK:

ATTEST:


LeAnn Quinn, City Secretary

By: 
Corbin Van Arsdale, Mayor

Date: 8.23.18

CITY OF LEANDER:

ATTEST:

Dara Crabtree
Dara Crabtree, City Secretary

By:

Troy Hill
Troy Hill, Mayor

Date: September 20, 2018

Exhibit A
Scope of Work

Round Rock will provide the following Plant Management and Operation Services:

Personnel Staffing

1. Provide qualified personnel to operate and maintain the System, pursuant to this ILA. Round Rock will staff the System to meet the requirements specified in the Permits and budgeted level of service.
2. Identify Round Rock employees and vehicles with badges and/or appropriate decals.
3. Manage any Round Rock personnel issues of Round Rock personnel operating and maintaining the System such as hiring, worker's compensation, termination, performance counseling, safety, and training.
4. Minimize overhead expenses and administrative costs.
5. Provide a semi-annual and annual report on direct labor charges in the format presented in the budget adopted by the Operations Committee.
6. Use generally accepted accounting and internal control standards in performing all financial transactions.

Communications

7. Respond to inquiries, complaints, and concerns in a professional, courteous, and timely manner. Use best efforts to promote good relations with the Cities' customers, stakeholders, regulators, and residents.
8. Monitor and track all complaints and inquiries received from the public, if any. Notify the Operations Committee of all complaints and inquiries.
9. Respond to any routine inquiries or reporting requirements of any governmental authority or their consultants in a prompt and professional manner.
10. Communicate in a proactive, prompt, and professional manner to affected parties, media, stakeholders, and regulators regarding overflows, or other operations and maintenance matters that will affect the public. Promptly notify the Operations Committee of such communications.

Coordination of Services and Operations

11. Coordinate operations and maintenance of the System with neighboring entities or corporations as necessary or as requested by the Operations Committee.

12. Coordinate with other Cities' advisors, including attorneys, engineers, accountants, and financial consultants as necessary or as requested by the Operations Committee.

Meeting Preparations and Attendance

13. Prepare materials for and attend City Council meetings and any special meetings at which the Operations Committee requests Round Rock's attendance. Provide requested operating, financial and, other information. Provide the status of all identified improvements or repairs to the System.
14. Attend regular Operations Committee meetings regarding the System. Provide routine operating and financial information.

Permits and Document Management

15. Complete, in a timely manner, all required documentation and pay all fees for TCEQ, United States Environmental Protection Agency, the Permits related to the operation and maintenance of the System, including but not limited to the monthly discharge monitoring reports, industrial stormwater monitoring and reporting, sanitary sewer overflow reports and the annual pretreatment program report.
16. Dispose of records in accordance with Round Rock records retention policies.
17. Prepare and present all applications for renewal of permits to the Operations Committee for approval. Coordinate with the Operations Committee on such renewal processes, including review and comment on draft Permit revisions proposed by TCEQ.
18. Manage and maintain in an efficient, organized, and readily available manner in a format provided, using information technology tools as appropriate, the following:
 - all System plans and specifications, as-built drawings, records, and easements in a readily available and organized manner, copies of contracts made with vendors, and consultants,
 - a comprehensive and detailed asset listing of the components of the System,
 - a comprehensive and detailed list of easements associated with the System provided by the Cities,
 - water quality analyses,
 - billing documents and all budgets,
 - documentation of overflows, bypasses, and System failures,
 - documents related to Points of Entry into the System,
 - documentation of repairs and preventative maintenance to the System by Round Rock after the effective date of this ILA,
 - documentation of safety issues and actions,
 - internal and vendor inspection reports,
 - documentation of inflow and infiltration studies of the System and actions, and
 - flow data collected from metering equipment located at Points of Entry and along the interceptors in the System.

Budget and Accounting

19. Make recommendations and prepare the Annual Budget in a timely manner. Provide the Operations Committee with a copy of the documents and backup documentation if requested.
20. Monitor, track, and regularly report the expenses related to the Annual Budget.
21. Submit accurate and timely billings to the Cities in accordance with this Agreement.
22. Promptly pay all vendors and third-party contractors. Round Rock shall be responsible for any late fees or penalties due solely to its negligence.
23. Accurately reflect all Cities' payments prior to any Reconciliation Value calculations.
24. File and monitor any insurance claims in a timely manner.
25. Inventory and maintain a listing of System equipment and vehicles, and the value of all such assets that are acquired after the execution of this Agreement.

System Monitoring and Emergency Response

26. Maintain 24-hour-per-day telephone dispatch service, with qualified personnel available to respond in the event of an emergency. The telephone number for such service shall be displayed at all gated facilities of the System.
27. Emergency services shall include services required as a result of a hazardous condition, or problem that would cause an unauthorized discharge or damage to personal property, a Permit violation, endanger the public's health and safety, a serious degradation of water quality at one or more customer locations or a condition which, in the opinion of Round Rock or the Operations Committee, poses an immediate threat to develop into one of the emergencies listed above. In the event of an emergency, Round Rock shall have the authority to act without special instruction or authorization from the Cities in order to prevent or minimize damage, injury or loss resulting from such emergency.
28. Ensure all System lift stations and other critical equipment have reliable alarm systems to monitor equipment operations, capacities, and electrical power.
29. Monitor and respond to any automated alarm systems installed in the System.
30. Assist in inspections related to Cities connections to the Collection System.
31. Manage federal Risk Management Program (40 CFR 68); provide compliance oversight for applicable Environmental, Health and Safety, Security and Emergency Management regulatory requirements. Identify non-compliances, provide recommendations, and implement corrective actions as appropriate. Notify the Operations Committee of respective program activities according to contract provisions.

32. Coordinate, manage and report overflow response and remediation for the System.
33. Advise the Operations Committee of recommended Capital Improvements when necessary and as part of the Annual Budget preparation.
34. Advise the Operations Committee of Emergency Repairs in a timely manner.
35. Monitor flows and respond to odor complaints in the System. Monitor permitted water quality characteristics in the System. Advise the Operations Committee of anomalies, trends, and results of improvements.
36. Provide all verbal and written notice of Permit exceedances or violations to the TCEQ in accordance with the provisions of the Permits and copy the Operations Committee on such notifications.
37. Provide all responses to TCEQ inspections in consultation with the Operations Committee. Implement any corrective actions requested by TCEQ and promptly notify the Operations Committee.
38. Respond to all overflows and System failures in a timely, organized, and efficient manner to minimize or eliminate environmental, public health and safety, and financial impacts, and promptly notify the Operations Committee.

Operation of System

39. In accordance with the Budget approved by the Operations Committee, provide and replenish as necessary, the materials, vehicles, equipment, and hand tools necessary for the efficient operation of the System.
40. Provide licensed operators to operate the System and to perform all inspections, tests, sampling and laboratory analyses of such System in compliance with Regulatory Requirements, the Permits, or by this Agreement.
41. Exercise and repair System valves, equipment, vehicles, appurtenances and off-line equipment as necessary to maintain reliable performance.
42. Optimize the use of chemicals and electricity for the System.
43. Manage all contracted services related to the System daily operations such as chemical delivery, sludge disposal, and liquid waste acceptance.
44. Ensure that the approved pretreatment program complies with all Regulatory Requirements. Ensure that all owners or participating Cities are notified of the requirements of the approved pretreatment program.

45. Assist with capital improvement projects, including Edwards Aquifer Recharge Zone compliance requirements, as an Additional Service as requested by the Operations Committee.

Inspection of System

46. Inspect the Treatment System each day, and maintain a daily log of each inspection, reflecting the date and time of each inspection, the personnel performing the inspection, and any action taken, as part of the permanent records of the System. Provide such services on weekends and holidays to ensure proper operation of the System.
47. Perform visual inspection of the entire Regional Collection System two times per year and as deemed necessary, and maintain a log of each inspection, reflecting the date and time of inspections, the personnel performing the inspection, and any action taken, as part of the permanent records of the System.
48. Make periodic general observations of System equipment, and vehicles, and provide recommendations for Capital Improvements in a timely manner and as part of the Annual Budget preparation.

Maintenance and Repair of System

49. Maintain a scheduled maintenance program including an updated maintenance checklist, schedule of maintenance, and replacement program based on equipment manufacturers' recommendations and staff experience.
50. Perform all preventive maintenance, including, but not limited to, routine cleaning, lubrication and adjustment of equipment, cleaning or replacement of filters and belt adjustments required pursuant to the scheduled maintenance program established in accordance with the preceding subparagraph, and record all equipment serviced and the procedures and supplies utilized in order to provide an up-to-date history of all service, maintenance and replacements provided. As directed by the Operations Committee, the City of Round Rock will be responsible for maintaining all manufacturers' warranties on System equipment and vehicles purchased for the System after the Effective Date of this Agreement.
51. Monitor, track, and report the amount of preventive maintenance compared to reactive maintenance.
52. Inspect, clean and maintain appearance of System, including mowing and trimming of ground cover, in accordance with industry and local standards.
53. Use generally accepted business practices to procure materials and replacement equipment. Round Rock shall not be responsible to the Operations Committee for any guarantees in connection with such materials or replacement equipment. Round Rock shall use its best efforts to maintain the normal guarantees applicable in the particular industry manufacturing such materials or replacement equipment.

Reporting

54. Complete and certify any documents required for routine self-monitoring and/or self-reporting purposes. Prepare and submit all routine operational and/or regulatory reports required by the Permits and in compliance with Regulatory Requirements.
55. Prepare monthly reports in a format and method acceptable to the Operations Committee showing:
- gallons treated for the month and cumulatively,
 - variance report for the budget and actual expenses,
 - preventive maintenance activities conducted compared to preventive maintenance planned,
 - kWh per million gallons treated,
 - chemical dosage per million gallons treated per chemical,
 - wastewater inflow parameters versus treated discharge parameters in relation to permit requirements, and
 - operational issues and associated corrective actions for problems with wastewater quality, major equipment, overflows, inflow and infiltration, safety, odor complaints, etc.