

DURANT CITY UTILITIES AUTHORITY

6:30 PM

September 9, 2026

**Roscoe J. Hatfield
Council Chambers,
300 West Evergreen,
Durant, Oklahoma**

AGENDA

CALL TO ORDER

ROLL CALL

ORDER OF BUSINESS

1. Administration

- a. Consideration and Possible Approval of Agreement with Wright Water Corporation regarding Management and Maintenance for the Durant Wastewater Treatment Plant. (C-2026-34)

2. New Business

ADJOURNMENT

CERTIFICATE

This is to certify that in conformity with the Oklahoma Open Meeting Act, public notice of the date, time and place of this meeting was filed with the City Clerk of Durant on the 2nd day of September, 2026 and that an agenda of said meeting was posted at the place of such meeting by 3:00 p.m. on the 8th day of September, 2026.

Nacy Story

Nacy Story, City of Durant

The City of Durant encourages participation from all its citizens. If participation at any public meeting is not possible due to a disability, notification to the City Clerk at least 48 hours prior to the scheduled meeting is encouraged in order to make the necessary accommodations. The City of Durant may waive the 48-hour rule if interpreters for the deaf (signing) or translation services for limited English proficient (LEP) individuals are not necessary accommodation.



The City of Durant

[AGENDA_ITEM_DEPARTMENT]

Memorandum

Date: 9/9/2026
To: Mayor and City Council
From:
Re: Administration

Council Information / Action Requested

City Staff Information / Action Follow-up, if Council authorizes this action:

ATTACHMENTS:



The City of Durant

[AGENDA_ITEM_DEPARTMENT]

Memorandum

Date: 9/9/2026
To: Mayor and City Council
From: Pam Polk, City Manager
Re: Consideration and Possible Approval of Agreement with Wright Water Corporation regarding Management and Maintenance for the Durant Wastewater Treatment Plant. (C-2026-34)

Council Information / Action Requested

City Staff Information / Action Follow-up, if Council authorizes this action:

ATTACHMENTS:

1. C-2026-34 Wright Water Contract

**AGREEMENT FOR OPERATION, MANAGEMENT,
AND MAINTENANCE FOR
WASTEWATER TREATMENT PLANT**

BETWEEN

DURANT CITY UTILITIES AUTHORITY



AND

WRIGHT WATER CORPORATION
WRIGHT WATER

SEPTEMEBER ____, 2026

**WASTEWATER TREATMENT PLANT OPERATION, MANAGEMENT AND
MAINTENANCE AGREEMENT**

**This Wastewater Treatment Plant Operation, Management, and Maintenance
Agreement**

(the "Agreement") is made this _____ day of _____ 2026, between:

1. **Durant City Utilities Authority**, a municipal authority organized under the law of Oklahoma with its principal place of business at 300 West Evergreen, Durant, Oklahoma 74701 (hereinafter the “Client”); and
2. **Wright Water Corporation**, an Oklahoma corporation with its principal place of business at 520 West SW 59th, Mustang, Oklahoma, 73064 (hereinafter the “Operator”).

BACKGROUND

The Client desires to procure operation, management, and maintenance services required for the Client’s wastewater treatment plant as set forth and defined in Schedule 1 attached to this Agreement (“Facilities”) and the Operator desires to provide said operations and maintenance services to the Operator.

In consideration of the mutual promises in this Agreement, the parties agree as follows:

1. TERM

This Agreement shall commence on **October 1, 2026** (“Commencement Date”) and shall remain in full force and effect for three (3) years from the Commencement Date (“Initial Term”) unless terminated earlier under Section 5 herein. After the Initial Term, the Agreement may be renewed for up to 2 additional three-year terms (“Additional Term”) subject to approval by the Board of Trustees of the Durant City Utilities Authority.

2. OPERATOR’S SERVICES

- 2.1. Operator, in regard to the Facilities, shall provide the services as set forth in Schedule 2 attached to this Agreement (the “Services”).
- 2.2. In providing the services set forth in Schedule 2, Operator shall comply with all purchasing policies and procedures as required by the Client or as otherwise required by law. Unless specifically authorized in this Agreement, no purchase shall be made by Operator until a purchase order has been issued by the Client.
- 2.3. When the Operator determines that an Emergency Event exists, it may begin immediately taking any necessary action related thereto, without the Client’s prior approval. However, Operator shall make reasonable efforts to immediately notify the Client of said Emergency Event. Any costs incurred during the Emergency Event shall be subject to the Client’s subsequent review and approval. If Operator should incur additional costs while assisting Client in emergency management coordination and cost recovery efforts with state and federal emergency management entities following a declared natural disaster, upon Client being reimbursed for these costs by state and/or federal emergency management entities, these costs shall be reimbursed to Operator as provided by Section 4.5 of this Agreement.

2.4. Operator may perform additional services or Corrective Maintenance beyond the Services specified in Schedule 2 with the mutual consent of both parties. The parties shall separately negotiate the costs of any such additional services.

2.5. Operator may recommend Capital Improvements or operational changes to the Client as are necessary or recommended to perform the Services in compliance with the terms of this Agreement and Applicable Law. In the event the Client does not approve the Capital Improvement or operational change recommended by Operator, Operator will not be liable for any loss, damage, or liability arising from or related to the Client's rejection of or refusal to implement the recommended Capital Improvement or operational changes, including any loss, damage, or liability for (a) failure of the Facilities, (b) failure to comply with Applicable Law, (c) failure to meet the requirements of this Agreement, or (d) claims for indemnification.

2.6. Operator shall:

2.6.1. Perform the Services in accordance with the provisions of this Agreement, Applicable Law, and all permits, licenses, and specifications applicable to the operation and maintenance of the Facilities; exercising the degree of skill and care ordinarily exercised by members of Operator's profession in the geographic region of the Facilities.

2.6.2. Use qualified (and where required, certified) personnel to operate and maintain the Facilities and all its equipment and processes in accordance with relevant operation and, if available, maintenance manuals for the Facilities, Applicable Law, and the Client's Permits;

2.6.3. Subject to the limitations in Section 3, below, perform the routine maintenance tasks in Schedule 2;

2.6.4. Maintain and immediately make available to the Client upon request necessary records of operations (including but not limited to personnel trainings, certifications, and employee manuals/handbooks), maintenance, repair, and improvement activities at the Facilities and prepare and submit to the Client a monthly report, delivered to the Client the following month, including a narrative and summary of operations, maintenance, repair, and replacement activities and data required for monthly reporting to local, state, and federal agencies; and

2.6.5. Provide response services for an Emergency Event at the Facilities twenty-four hours a day, seven days a week.

2.6.6 Operator shall provide Client with prompt notice of any such wastewater treatment violations.

2.6.7 Staffing and Licensing. The Operator shall ensure that all services under this Agreement are performed by qualified personnel, as required by applicable law. Operator shall maintain adequate staffing levels necessary to ensure compliance with performance standards and permit obligations. The Operator shall not reassign or remove key personnel without providing prior written notice to the Authority and shall consult with the Authority in good faith on replacements.

2.6.8 Subcontractors. The Operator shall not engage any subcontractor to perform services under this Agreement without the prior written consent of the Authority, which consent shall not be unreasonably withheld.

3. CLIENT OBLIGATIONS

1. Client shall:

1. Obtain and maintain all state, federal, and local permits and licenses required for ownership, operation, and maintenance of the Facilities, including without limitation, the Client's Permits, provided that Operator will assist City in providing the necessary information to submit, obtain, and maintain said permits and licenses;

3.1.2. Arrange for and pay:

- i. All costs related to delivery to and consumption of utilities to the Facilities, including electricity, water, gas, internet, and telephone usage at the Facilities
- ii. All property, value-related, franchise, sales, use, excise, gross receipts, transaction privilege, or other taxes associated with the Services and the ownership, operation, and maintenance of the Facilities, other than taxes imposed on Operator's net income or payroll
- iii. Expenses incurred from the treatment of Non-Processible Water, including without limitation, any penalties and fines that may be assessed as a result
- iv. Expenses resulting from influent or pollutant loads exceeding the design capabilities of the Facilities;
- v. Expenses resulting from hydraulic or organic loads exceeding the design capabilities of the Facilities
- vi. All Capital Improvements
- vii. Expenses incurred by Operator in response to an Emergency Event
- viii. Any costs identified as the Client's responsibility in Schedule 2.

- 3.1.3. Comply with Applicable Law relating to the management, ownership, operation, maintenance, repair, and replacement of the Facilities (to the extent that the responsibility of complying with those laws is not specifically assumed by the Operator under this Agreement). The Operator shall not be responsible for Client's failure to comply with any provision of Applicable Law that is not otherwise specifically assumed by the Operator hereunder;

- 3.1.4. During visits to the Facilities, comply and shall require its agents, licensees, or invitees to comply with all reasonable safety rules and regulations adopted by the Operator;

- 3.1.5. Maintain all sewer lines, pipes, force mains, and all other wastewater transportation lines, that are not part of the Facilities under Operator's control, in a manner that will prevent, to the extent reasonably practicable, any damage to the operation of the Facilities due to leakage of water or infiltration or inflow of storm water from such Client Lines;

- 3.1.6. Issue all water and sewer bills, collect all payments, reconcile accounts receivable, direct activities pertaining to turn-ons/turn-offs, and provide work orders for meter repairs;

- 3.1.7. Grant the Operator, free of charge, a license to use the Facilities, including all equipment, vehicles, and facilities under Client's ownership and which have been assigned by Client to the Facilities. All such equipment, vehicles, and facilities shall be in safe operating condition for Operator to perform any applicable services hereunder. Should the Operator

require any additional equipment, vehicles, or facilities under Client's ownership for operation of the Facilities, Operator shall obtain written approval from the Client;

- 3.1.8. Provide the Operator with office space at the wastewater treatment plant identified in Schedule 1 for use by Operator's staff
- 3.1.9. Perform all duties and discharge all responsibilities and obligations relating to the operation and maintenance of the Facilities not expressly assumed by the Operator pursuant to the terms of this Agreement.
- 3.1.10 Cover the costs of all chemicals needed for wastewater treatment
- 3.1.11 Cover the costs of all maintenance and repairs for wastewater facilities while the Operator will perform preventative maintenance to the best of their ability in line with suggested PMs in owner's manuals provided by Client
- 3.1.12 Cover all cost of laboratory testing and sampling, which includes but is not limited to laboratory equipment, consumables, and contract laboratory cost to perform testing.
- 3.1.13 Cover permit costs for wastewater permits, storm water permits, or any public notice publication.
- 3.1.14 Cover all costs related to the SCADA monitoring, telemetry system, and subscriptions required for operator to perform job roles and adequately monitor plant remotely.
- 3.1.15 Provide the plants and facilities with appropriate security fencing as required by law to protect against any losses resulting from theft, damage, or unauthorized use of property owned by the Client
- 3.1.16 Provide the Operator, within a reasonable time after a request is made and on an "as available" basis with the temporary use of any piece of the Client's construction grade heavy equipment that is available so that the Operator may perform their duties cost effectively under this agreement
- 3.1.17 Provide for the replacement of equipment used in the partnership when such equipment fails due to normal wear and tear or when the cost to return the equipment to operating condition exceeds the value of the equipment.
- 3.1.18 Client shall either make or pay the cost of all Capital Improvement expenditures which are reasonably recommended by the Operator within a reasonable time of such recommendation or accept the responsibility for not making these improvements. Operator will provide an updated recommended 5-year capital improvement plan each year to aid Client.

2. Client represents and warrants that Operator is not required to pay its employees prevailing wage rates pursuant to Applicable Law for the Services provided hereunder as of the Commencement Date.

4. FEES AND PAYMENT

1. For the period beginning on the date that Operator commences Services under Section 2 above and as set forth in Schedule 2, Client shall pay Operator the Annual Compensation of **\$1,082,958.00** for the first Agreement Year. Client shall pay the Annual Compensation in equal monthly installments, which for the first Agreement Year shall be **\$90,246.50**. The Annual Compensation shall be due, in advance, on the first of the month during which the Services will be rendered. All other payments shall be due within thirty (30) days of the date of invoice.

2. The Operator's Annual Compensation shall be automatically adjusted each year on the Adjustment Date by the same percentage as any adjustment in the Consumer Price Index for All Urban Consumers – Water and Sewer Maintenance for the U.S. City Average, as published by the U.S. Department of Labor, Bureau of Labor Statistics. The increase in the Price Index shall be determined by calculating the percentage increase between the Price Index in effect as of the current Adjustment Date over the Price Index in effect as of previous Adjustment Date. In no event shall the Annual Compensation be decreased by virtue of any such adjustment.

3. Client shall reimburse or compensate the Operator for the following costs within 30 days of issuance of an invoice by Operator:
 1. Costs while assisting Client in emergency management coordination and cost recovery efforts with state and federal emergency management entities following a declared natural disaster.

4. In the event of a change in the Services or Applicable Law or other factor which causes an increase in the Operator's cost of providing the Services, the Operator may provide notice to the Client and the parties shall negotiate in good faith to adjust the Annual Compensation to account for such change in Operator's costs of providing the Services directly impacted by said change. If the parties are unable to reach a negotiated agreement within ninety (90) days of the date of notice, then the contract may be terminated immediately by either party with ninety (90) days' written notice.

5. The Annual Compensation and any additional service rates provided in this Agreement have been derived under the premise and understanding that the Services to be furnished hereunder do not require the Operator to pay its employees prevailing wage rates pursuant to Applicable Law. If a determination is made by the Client or by any governmental agency with competent jurisdiction thereof that the nature of the Services are such that the Operator is required to pay any of its employees who are performing the Services prevailing wage rates, then the Client shall immediately notify Operator and be responsible for the increase in the Operator's cost of providing the Services as a result thereof.

5. TERMINATION

1. Upon the occurrence of an Event of Default by Operator, Client may, upon ninety (90) days written notice and opportunity to cure provided to Operator, with or without additional notice or demand, and without limiting the Client's remedies as a result of the Event of Default, (i) terminate this Agreement and seek to recover all damages incurred by reason of the Event of Default, including but not limited to attorneys' fees, or (ii) pursue any other remedy available under the laws of the State of Oklahoma. In the case of any default that cannot with due diligence be corrected within such ninety (90) day period, but can be wholly corrected within a period of time not materially detrimental to the rights of the City, it shall not constitute an Event of Default if corrective action is instituted by Operator within the applicable period and diligently pursued (as reasonably determined by Client) until the default is corrected in accordance with and subject to any directions or limitations of time established in writing by Client.

2. No remedy herein conferred upon or reserved to Client is intended to be exclusive and every such remedy will be cumulative and will be in addition to every other remedy given under this Lease or now or hereafter existing at law or in equity. The failure of the Client to exercise such rights after one more Events of Default shall not be a waiver of the right upon the occurrence of any subsequent Event of Default.

3. An "Event of Default" has occurred if:

- (a) A party fails to perform or cause to be performed any material term, covenant, condition, or provision of this Agreement.
- (b) A party (i) applies for or consents to the appointment of a receiver, trustee, custodian or liquidator of all or a substantial part of its assets, (ii) is unable, fails or admits in writing its inability generally to pay its debts as they become due, (iii) makes a general assignment for the benefit of creditors, (iv) has an order for relief entered against it under applicable federal bankruptcy law, or (v) files a voluntary petition in bankruptcy or a petition or an answer seeking reorganization or an arrangement with creditors or taking advantage of any insolvency law or any answer admitting the material allegations of a petition filed against Chamber in any bankruptcy, reorganization or insolvency proceeding.

5.4 DEFAULT. Upon notice of termination by Client and at Client's request, Operator shall assist Client or Client's contractor in assuming operation of the Facilities. If additional Cost is incurred by Operator at request of Client, Client shall pay Operator such Cost-plus Mark Up within thirty (30) days of invoice receipt.

5.5 RETURN OF FACILITIES, EQUIPMENT AND PROPERTY.

Equipment and other personal property purchased by Operator for use in the operation or maintenance of the Facilities shall remain the property of Operator upon termination of this Agreement, unless the property was directly paid for by the Client, or the Client specifically reimbursed the Operator for the cost incurred to purchase the property, or this Agreement provides to the contrary.

6. FINES, INDEMNIFICATION, AND LIMITATION

1. In the event that wastewater treatment violations occur following the Commencement Date, subject to Section 2.5, Section 6.2, Section 6.3, or any other section herein that apply, Operator shall, with respect to violations that may be imposed by environmental regulatory bodies under Applicable Law and to the extent said violations are directly attributable to Operator's breach of its contractual obligations or the Operator's negligent acts then and only then shall the Operator be responsible for any environmental regulatory fines or penalties. Prior to settlement or payment of any such fines or penalties, Operator reserves the right to contest any actions, suits, or proceedings for violations through administrative procedures or otherwise.

2. Cost of compliance: Client shall be responsible for paying all costs associated with bringing the facilities into compliance with any modifications or additions to environmental laws that are made during the term of this agreement. Client acknowledges and agrees that the Client shall be responsible for any fines or civil penalties imposed by any regulatory or enforcement agencies directly resulting from the Client's failure to meet any such requirements.

3. If the Facilities loading exceed its design parameters or if influent contains: i) abnormal, toxic or other substances which cannot be removed or treated by the existing Facilities the Operator will use its best efforts to maximize performance of the Facilities but shall not be responsible for associated effluent characteristics or damages, fines or penalties which result unless such liabilities are the result of Operator's negligent direct actions or failure to act as described in Section 6.5

4. INDEMNIFICATION BY OPERATOR. Operator hereby agrees to indemnify and hold Client and City harmless from liability or damages for bodily injury, including death, which may arise from Operator's negligence or willful misconduct under this agreement. Operator shall indemnify and hold Client and City harmless from and against all mechanic's and materialman's liens which may be filed against the facilities as a direct result of performance of the Scope of Services by Operator hereunder, and Operator shall cause any such lien to be discharged of record through bonding or otherwise within thirty (30) days of the date of filing of such lien.

5. Operator shall pay any regulatory fines and penalties assessed against the Client for non-compliance with any Federal, State, or local law, regulation, permit condition or provision of any administrative or court order, when such fine or penalty results from the negligent acts, failure to act, or willful misconduct of Operator.

6. Notwithstanding any provision to the contrary contained in this Agreement, in no event shall either party be liable, either directly or indirectly, for any special, punitive, indirect, and/or consequential damages, including damages attributable to loss of use, loss of income, or loss of profit, even if such party has been advised of the possibility of such damages.

7. Each party shall maintain reasonable cyber security measures over its computer systems, operating systems, and all other technological or information systems related to the Facilities and Services provided hereunder that align with industry standards for Operator's profession. Operator shall not be liable for any liabilities, losses, damages, expenses, fines, or penalties incurred by the Client or any third party as a result of a data security breach or other cyber security breach to the Facilities or the Client's computer systems, operating systems, and all other technological or information systems related to the Facilities and Services provided hereunder, except to the extent such liability, loss, damage, expense, fine, or penalty is the direct result of Operator's willful or negligent acts or omissions.

8. **Audit and Inspection Rights.** The Authority shall have the right to inspect the Facilities at any time and to audit Operator's books, records, logs, invoices, and supporting documentation related to the performance of this Agreement. Operator shall retain all such records for a minimum of five (5) years after the expiration or termination of the Agreement and shall make them available to the Authority within five (5) business days of request

9. **Force Majeure:** Neither party shall be liable for its failure to perform its obligations under this Agreement if such failure is due to any unforeseen circumstances. However, this section may not be used by either party to avoid, delay, or otherwise affect any payments due to the other party.

7. INSURANCE

1. Operator shall provide and maintain the following levels of insurance coverage at all times during the Term:

1. Commercial General Liability Insurance, including contractual liability, with a limit of one million dollars (\$1,000,000) per occurrence and two million dollars (\$2,000,000) aggregate;

2. Workers Compensation Insurance in compliance with the statutes of the State that has jurisdiction over Operator's employees engaged in the performance of Services hereunder, to the required statutory amount; and

3. Automobile Liability Insurance with a combined single limit of one million dollars (\$1,000,000).

2. Operator shall name Client as an additional insured on the general liability policy and automobile liability policy with respect to the Services during the term of this Agreement, except for any claim against or loss suffered by Client arising as a result of Client's negligence or fault and, in circumstances of joint fault or negligence, except to the extent of the loss attributable to Client's proportionate degree of negligence or fault.

3. Operator shall provide Client with thirty (30) days' notice prior to cancellation of any policy hereunder.

4. Operator shall provide Client with insurance certificates confirming the levels of coverage in Section 7.1-7.3 and that Client is named as an additional insured.

5. Client warrants that it maintains and will continue to maintain, during the term of this Agreement, appropriate property insurance in relation to the Facilities.

8. DISPUTES

- 8.1 All disputes, claims, or controversies arising out of or relating to this Agreement shall be brought exclusively in the District Court of Bryan County, Oklahoma. The parties hereby consent to the jurisdiction and venue of such court. This Agreement shall be governed by and construed in accordance with the laws of the State of Oklahoma. Prior to initiating any legal action, the parties shall attempt in good faith to resolve any dispute through informal discussions between senior representatives of each party. During the pendency of any dispute, Operator shall continue to perform the Services in accordance

9. MISCELLANEOUS

1. The relationship of Operator to Client is that of independent contractor for all purposes under this Agreement. This Agreement is not intended to create, and shall not be construed as creating, between Operator and Client, the relationship of principal and agent, joint ventures, co-partners or any other similar relationship, the existence of which is hereby expressly denied.
2. This Agreement contains the entire agreement between Client and Operator and supersedes all prior or contemporaneous communications, representations, understandings, or agreements that are not consistent with any material provision of this Agreement.
3. The parties may only modify this Agreement by a written amendment signed by both parties.
4. The failure on the part of either party to enforce its rights as to any provision of this Agreement shall not be construed as a waiver of its rights to enforce such provisions in the future.
5. This Agreement shall not be assigned by either party without the prior written consent of the other party unless such assignment shall be to a parent, subsidiary, affiliate, or successor of either Party. Additionally, any sale, assignment, or transfer by the Client in its rights in, or right to use, the Facilities shall be subject to Operator's right to perform the Services under this Agreement.

6. A party's performance of any obligation under this Agreement shall be excused if, and to the extent that, the party is unable to perform because of any event of Force Majeure, as defined in Schedule 3. In any such event, the party unable to perform shall be required to resume performance of its obligations under this Agreement upon the termination of the event or cause that excused performance hereunder.

7. The Agreement shall be governed by and construed in accordance with the laws of Oklahoma.

8. In the event that Client receives notice of or undertakes the defense or prosecution of any legal or administrative action or proceeding in connection with the ownership, operation, and/or maintenance of the Facilities and/or this Agreement, Client shall give Operator prompt notice of such proceedings and shall inform Operator in advance of all hearings. In the event Operator receives notice of any action, claim, suit, administrative or arbitration proceeding, or investigation in connection with the ownership, operation, and/or maintenance of the Facilities and/or this Agreement, Operator shall give Client prompt notice of such proceedings.

9. All notices will be in writing and shall be deemed given when mailed by first class mail or delivered in person. Notices required to be given to the parties by each other will be addressed to:

Durant City Utilities Authority
300 West Evergreen
Durant, Oklahoma 74701

Wright Water
520 West SW 59th
Mustang, Oklahoma 73064
ATTN: Scott Townley

10. All records compiled by Operator with information and material gathered when performing this Agreement are the property of Client.

11. This Agreement is made for the benefit of the parties and is not intended to benefit any third party or be enforceable by any third party.

12. Defined terms in this Agreement are set out in Schedule 3 or within the main body of this Agreement, capitalized, or within quotation marks.

13. Should any part of this Agreement for any reason be declared invalid or void, such declaration will not affect the remaining parts of this Agreement, which will remain in full force and effect as if the Agreement had been executed with the invalid portion eliminated.

14. This Agreement may be executed in more than one counterpart, each of which shall be deemed an original.

15. Both parties warrant and represent to the other that they have full power and authority to enter into and perform this Agreement.

10. QUALIFIED MANAGEMENT AGREEMENT SAFE HARBOR

The parties understand that all or a portion of the Facilities have been or will be financed by the proceeds of tax-exempt debt. Accordingly, this Agreement shall be interpreted in a manner that is in compliance with the safe harbors found in Rev. Proc. 2017-13 (the "Rev. Proc."). In connection therewith, notwithstanding any other parts of this contract that might be interpreted to the contrary, the parties agree as follows (with the meaning of such representations interpreted consistent with the terms of the Rev. Proc.):

10.1 This Agreement shall not be interpreted as a lease.

10.2 Both parties represent and agree that the payments to the Operator under this Agreement are reasonable compensation for the services to be rendered by the Operator under this Agreement.

10.3 No element of the Operator's compensation paid hereunder shall take into account, or be contingent upon, either the Facilities' net profits or both the Facilities' revenues and expenses (other than any reimbursements of direct and actual expenses paid by the Operator to unrelated third parties) for any fiscal period. Furthermore, the Operator shall not be required to bear a share of the net losses from the operation of the Facilities.

10.4 The Client or other qualified user shall bear the risk of loss upon damage or destruction of the Facilities to the extent required by the Rev. Proc. This provision is expressly NOT intended to relieve the Operator or any other person or entity from any liability or obligation owed to the Client or any other person or entity as a result of, or relating to, damage or destruction of the Facilities to the extent not required by the Rev. Proc., but merely to intended meet the minimum requirements of the Rev. Proc. and shall not be interpreted more broadly. For example, without limitation, as provided in the Rev. Proc., a qualified user does not fail to meet this risk of loss requirement as a result of insuring against risk of loss through a third party or imposing upon the service provider a penalty for failure to operate the managed property in accordance with the standards set forth in this contract. Without limitation, the Operator shall be liable to the Client for any damage or destruction of the Facilities caused by, or arising out of, the Operator's acts and/or omissions or breach of this agreement.

10.5 The Operator shall not take any tax position that is inconsistent with being a service provider to the Client with respect to the Facilities. For example, the Operator agrees not to claim any depreciation or amortization deduction, investment tax credit, or deduction for the payment as rent with respect to Facilities.

- 10.6 The Client must approve the annual budget for the Facilities, capital expenditures with respect to the Facilities, each disposition of property that is part of the Facilities, rates charged for the use of the Facilities, and the general nature and type of use of the Facilities.
- 10.7 The Client will not allow this Agreement to be renewed for any period without consulting with bond counsel.
- 10.8 Not more than 20 percent of the voting power of the governing body of the City of Durant or the Durant Cities Utilities Authority (collectively, together with their successors and assigns, the "Potential Qualified Users") shall be vested in the directors, officers, shareholders, partners, members and employees of the Operator; the governing body of the Potential Qualified Users shall not include the chief executive officer of the Operator or the chairperson (or equivalent executive) of the Operator's governing body; and the chief executive officer of the Operator shall not be the chief executive officer of any of the Potential Qualified Users or any of their related parties as defined in Treasury Regulation 1.150-1(b).

IN WITNESS WHEREOF, the parties have duly executed this Agreement effective as of the date at the top of this Agreement.

APPROVED by the Durant City Utilities Authority on this _____ day of _____, 2026.

THE DURANT CITY UTILITIES AUTHORITY

Chairman

Date

ATTEST:

City Clerk

Date

Reviewed for form and legality this _____ day of _____, 2026

City Attorney

APPROVED by Wright Water Corporation on this _____ day of _____, 2026

Wright Water CEO

Schedule 1: Client's Facilities

Client's Facilities consist of:

1. A wastewater treatment plant (the "WWTP") with a ___ MGD design capacity that is regulated by NPDES permit ___;

Schedule 2: Operator's Services

Operator shall perform the following services to operate, maintain, and monitor Facilities on a 24-hour per day, seven day per week basis:

1. Operator shall coordinate all preventative maintenance required for the Facilities as defined in Schedule 1.
2. Operator shall assist Client in maintaining all manufacturer's warranties on new equipment purchased by the Client and assist in enforcing existing warranties. **Any expense stemming from warranties or warranty claim is the responsibility of the Client.**
3. Operator shall review and utilize Site Operations Plans and O&M Manuals from the Client for maintenance plan to be implemented for the Facilities. Typical maintenance procedures for the Facilities will include identifying equipment that needs servicing or replacement, procuring quotes and lead times for all equipment, submitting these documents to the Client for approval, and executing through ordering and installation of the necessary parts.
4. Operator shall install, operate, and maintain a Computer Maintenance Management System (CMMS) to track work orders, preventative maintenance, repairs, and compliance tasks required under the Permits and Applicable Law for the Facilities.
5. Operator shall provide its own staff telephones for communication.
6. Operator shall provide key staff company vehicles for transportation and basic tools for the Service.

7. Operator shall provide staff with computers and software for plant operations, normal office functions, permit monitoring and compliance, daily reports, and monthly reporting to the Client and the Oklahoma Department of Environmental Quality (ODEQ). Operator shall be responsible for maintaining the computers and software it provides to its staff.

8. Operator shall provide the Client with monthly reports describing certain information that will assist the Client and Operator in managing the Facilities as described in this Agreement. Operator shall develop a regulatory communication plan within (90) days of the Commencement Date for review and approval by Client, which approval shall not be unreasonably withheld. Operator shall comply with said plan after approval by Client.

9. Operator shall coordinate all laboratory testing and sampling presently required for the Facilities in order to comply with the Agreement, Applicable Law, and the Permits. Operator shall also coordinate all laboratory testing and sampling requested by the Client. Laboratory procedures and analysis shall conform to the then current edition of Standard Methods for the Examination of Water and Wastewater, or shall be in accordance with testing requirements of Applicable Law and the Client's Permits. **The Client is responsible for all cost of such laboratory testing and sampling, which includes but is not limited to laboratory equipment, consumables, and contract laboratory cost.**

10. Operator shall coordinate with Client's third-party contractor to perform annual certifications and calibration reports for all flow meters as required by ODEQ. **Client shall be responsible for all such third-party contractor costs.**

11. Operator shall assist in removal of Process Residue generated at the Facilities and dispose of said Process Residue in roll off dumpster (or other approved method); Title and ownership of Process Residue shall remain with the Client notwithstanding such services by the Operator. **Client shall be responsible for all such costs associated with the testing and disposal of Process Residue (sludge) and provide heavy equipment to aid in disposal of process residues.**

12. Operator shall identify equipment that needs to be replaced and/or has reached the end of its useful life to Client on a regular basis. Operator will continue operations to the best of its ability with the current equipment.

13. Operator shall provide an emergency telephone number to the Client for after-hours contact. On-Call personnel shall respond within sixty (60) minutes to incidents that cannot be resolved over the phone.

14. At no time shall Operator be deemed to have taken title or ownership to any influent, effluent, biologically toxic or regulated substances, bio-solids sludge, solids, untreated wastewater, raw water, screenings, grit, sludges, or any other materials or substances in process at any of the facilities.

15. Operator is not responsible for any SSO unless caused directly and solely by the negligence, failure to act, or willful misconduct of the Operator. Sanitary Sewer Overflow (SSO) is an unintentional overflow from the sewer collection system of untreated municipal sewage, said overflow caused by malfunction in a conveyance device, an act of God, or an upset.
16. Operator shall operate, maintain, and man facilities at least eight hours per day, five days per week, and monitor the Partnership on a 24 hour per day, seven day per week schedule, utilizing the city owned SCADA system to notify on-call operators of need for immediate attention.
17. Operator shall staff the facilities with adequate personnel with appropriate State required certifications and qualified in technical, laboratory, and administrative/management issues to satisfy or exceed regulatory requirements
18. Operator will implement and maintain an employee safety program in compliance with applicable laws, rules, and regulations and make recommendations to the Client regarding the need, if any, for the Client to rehabilitate, expand, or modify facilities to comply with governmental safety regulations applicable to Operator's operations hereunder and federal regulations promulgated pursuant to the ADA. Nothing herein shall be constructed to place Operator a duty to find and report violations of either the safety laws or the ADA at the Facilities.
19. Operator shall mow the grass at the Facilities within the fenced area, on a regular basis.
20. Operator shall maintain all facilities in a clean, neat, and orderly fashion.
21. Operator shall maintain all records, invoices, documents, and data concerning the Operations and the Maintenance of the facilities in a format acceptable to and approved by the Client. The Client may inspect and copy all such records, invoices, documents, and data during normal business hours as we welcome accountability and desire to operate with integrity and transparency.

Schedule 3: Definitions

"Abnormal or Biologically Toxic Materials" may include, but are not limited to, concentrations of heavy metals, phenols, cyanides, pesticides, herbicides, priority pollutants as listed by USEPA, or any substance that violates the local or USEPA standards for finished water after the routine processing of the raw water.

"Adjustment Date" means each anniversary of the Commencement Date.

"Agreement Year" means the consecutive twelve (12) month period that begins on the Commencement Date, and each subsequent consecutive twelve (12) month period that begins on each anniversary of the Commencement Date.

"Annual Compensation" is defined as Operator's Base Fee rendered under this Agreement.

"Applicable Law" means laws, rules, regulations, codes, administrative and judicial orders, directives, guidelines, judgments, rulings, interpretations or similar requirements or actions of any federal, state, local government, agency or executive or administrative body of any of the above, in each case that relate to the (a) parties' respective responsibilities under this Agreement; (b) operation or maintenance of the Facilities; (c) health and welfare of individuals working at or visiting the Facilities; and (d) the collection, delivery and treatment of the Client's raw and finished water.

"Base Fee" is defined as Operator's base compensation for its performance of the Services. The Base Fee for the first Agreement Year is **\$1,082,958.00**

"Capital Improvements" means any modifications, additions or upgrades to the Facilities made by or on behalf of the Client or with its prior approval and funded from Client's capital proceeds.

"Client's Permit(s)" and/or *"Permit(s)"* means all permits and licenses issued to Client and required for the treatment of potable water from the Facilities. Copies of all Permits are attached as Schedule 4 of this Agreement.

"Corrective Maintenance" is defined as maintenance work which involves the repair or replacement of components which are failing or have failed. These are tasks that required a trained maintenance technician using a variety of tools including specialized tools.

"Emergency Event" means an event which threatens the immediate shutdown of, or the substantial reduction in the operational capacity of, any of the Facilities, or the life, health or property of Client and/or Operator, their employees and/or agents or others.

"Facilities" means the wastewater treatment plant, water treatment plant, and ground well, as described in Schedule 1 to this Agreement.

"Force Majeure" means an event which is beyond the reasonable control of a party, including without limitation: (a) acts of God; (b) flood, fire, earthquake, hurricane or explosion; (c) war, invasion, hostilities (whether war is declared or not), terrorist threats or acts, riot or other civil unrest; (d) government order or law; (e) actions, embargoes, tariffs, or blockades in effect on or after the date of this Agreement; (f) action by any governmental authority; (g) national or regional emergency; (h) strikes, labor stoppages or slowdowns or other industrial disturbances, other than those involving the affected parties employees; (i) epidemic or pandemic; (j) shortage of adequate power or transportation facilities.

"Non-Processible Water" is defined as influent raw water (i) which contains Abnormal or Biologically Toxic Materials; or (ii) which is otherwise detrimental to the operation and performance of the Facilities; or (iii) which exceeds the design capabilities of the Facilities as defined by the Operations and Maintenance Manual for the Facilities or as provided in submissions made to regulatory agencies in connection with the construction and/or the permitting of the Facilities.

“Price Index” means the Consumer Price Index for all Urban Consumers – Water and Sewerage Maintenance (CPI-U) for the U.S. City Average, 1982-84=100 as published monthly by the U.S. Department of Commerce, Bureau of Labor Statistics, or any replacement to that index from time to time.

“Process Residue” means grit, screenings, and sludge generated by or through the operation of the Facilities.

Schedule 4: OPDES Permit