



BOARD OF WATERWORKS COMMISSIONERS AGENDA

August 19, 2026 at 3:30 PM

Water Utility Admin Office, 72 Park Avenue, Sheboygan WI

Persons with disabilities who need accommodations to attend this meeting should contact the Sheboygan Water Utility, (920) 459-3805. Persons other than commission, committee, and board members who wish to participate remotely shall provide notice to the Utility at 920-459-3805 at least 24 hours before the meeting so that the person may be provided a remote link for that purpose.

OPENING OF MEETING

1. Pledge of Allegiance

MINUTES

2. Approval of Minutes: August 3, 2026

REPORTS

3. Financial reports and approval of vouchers
- [4.](#) Superintendent's report including operations, construction-maintenance, and customer relations/fiscal

ITEMS FOR DISCUSSION AND POSSIBLE ACTION

5. Approval to seek annexation petition for Utility property on N. 36th St.
6. Approval of preliminary proposed 2027 Water Utility budget
7. Review Dixon Engineering inspection report on Taylor Hill reservoir
8. Approval of submittal to WI PSC for water rate case effective in Q1 2027
9. Update on Sheboygan River crossing project
- [10.](#) Renewal of contract for commercial/industrial cross-connection surveys

PERSONNEL

NEXT MEETING DATE

11. Next scheduled meeting: September 21, 2026

ADJOURN

12. Motion to Adjourn

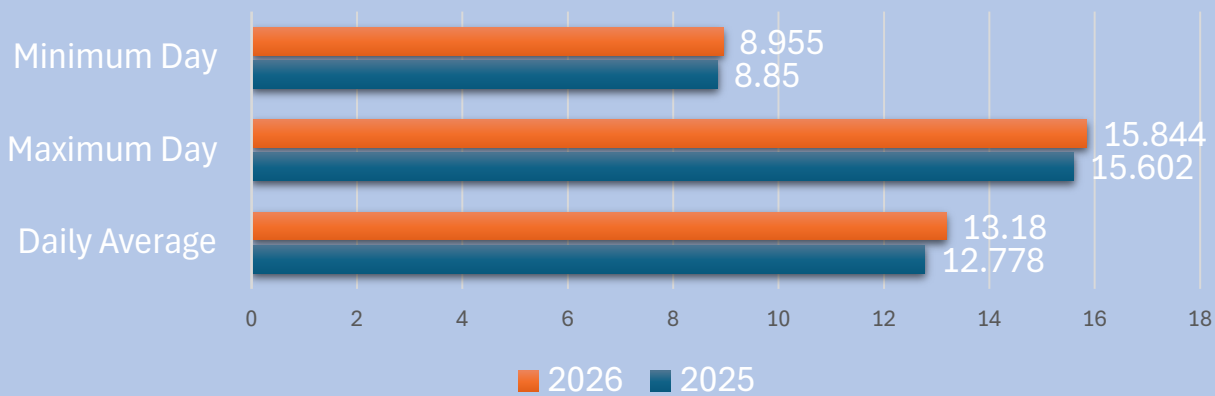
In compliance with Wisconsin's Open Meetings Law, this agenda was posted in the following locations more than 24 hours prior to the time of the meeting:

City Hall • Mead Public Library
Sheboygan County Administration Building • City's website

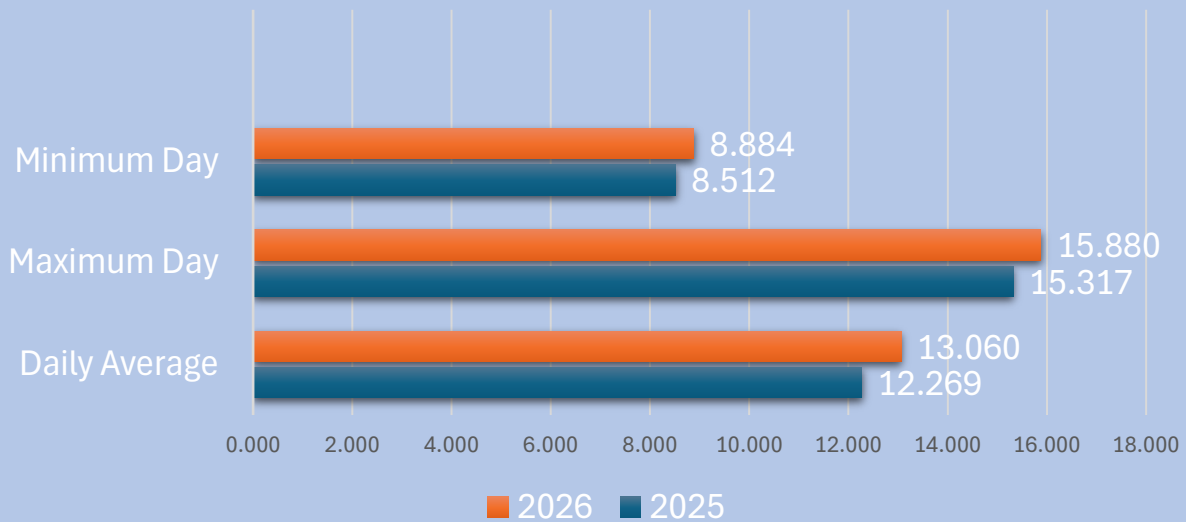
OPERATIONS MONTHLY REPORT

PUMPING

Raw Water Pumpage (MGD)



Finished Water Pumpage (MGD)



2,489,574,000
Gallons Pumped YTD

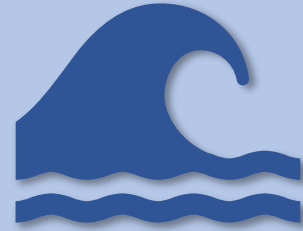
JULY
2026

OPERATIONS MONTHLY REPORT

WATER QUALITY

Raw Water

	2025	2026
Turbidity	1.1	1.2
pH	8.33	8.24
Alkalinity	108.2	107.7
Temperature	55.2	51.5
Positive Bacteriological Testing	1.4	1.9



Finished Water

	2025	2026
Turbidity	0.062	0.044
pH	7.73	7.7
Alkalinity	102.5	102
Temp.	56.7	52.3
Chlorine Residual	0.88	0.9
Fluoride Residual	0.65	0.65
Orthophosphate Residual	1.5	1.6
Bacteriological Testing	0	0

ADDITIONAL ACTIVITIES

- ◆ Routine Plant Operations
- ◆ Routine Plant and Remote Site Maintenance
- ◆ Annual WDNR Lab Testing and Monitoring
- ◆ Filter Rehab Project Work
- ◆ Safety Equipment Checks
- ◆ Property grounds, cleaning, and building maintenance
- ◆ Safety program management and training
- ◆ Chemical Systems Maint
- ◆ Shift Coverage

JULY
2026

DISTRIBUTION MONTHLY REPORT

WATER MAIN

Water Main Installed

20'

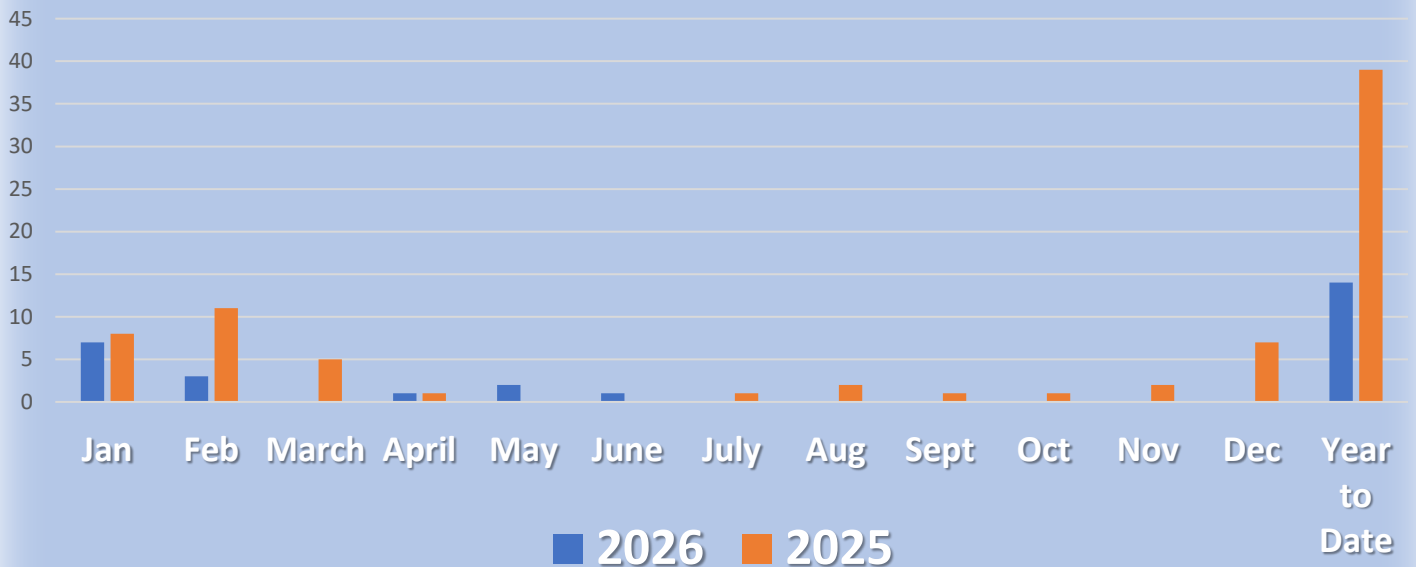
YTD

Street, Curb, and
Sidewalk Restoration

5,469

Cu Ft
YTD

Water Main Breaks



HYDRANTS YEAR TO DATE

216

Inspected

7

Installed

VALVES YEAR TO DATE

713

Exercised

1

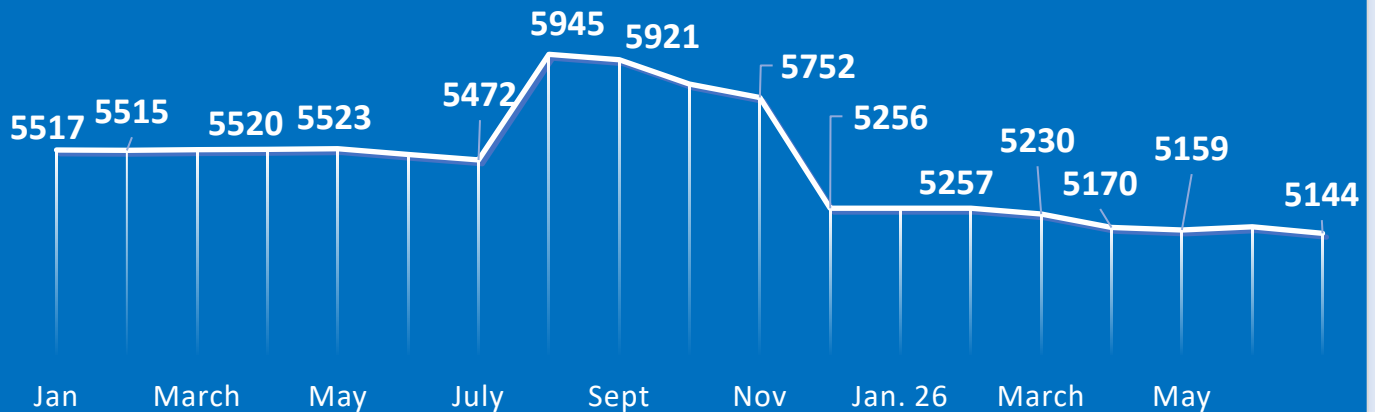
Installed

**JULY
2026**

DISTRIBUTION MONTHLY REPORT

LEAD SERVICE LINE INFORMATION

LEAD SERVICE LINES REMAINING



300

2026 Replacement
Goal

55%

2026 Replacement
Goal Completed

130

YTD WIDNR Lead
Brochures
Distributed

ADDITIONAL ACTIVITIES

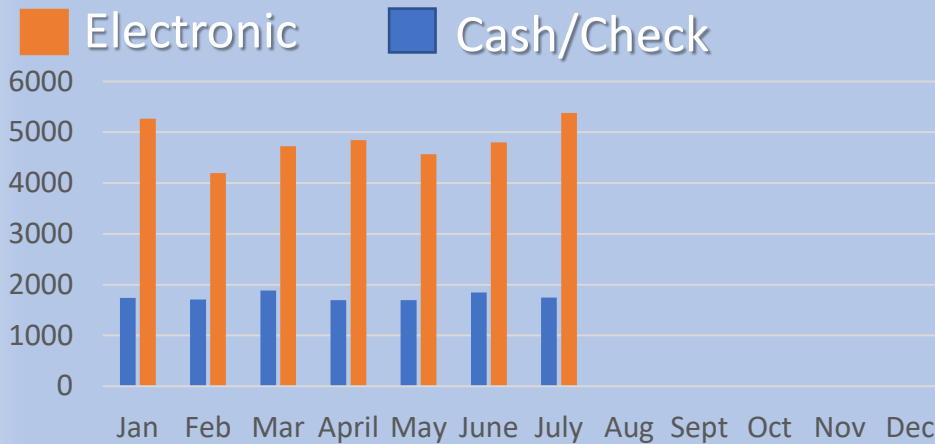
- ◆ C/M staff completed concrete base restoration for asphalt service holes.
- ◆ Engineering Department received WDNR approval for 2027 Lakeshore Drive watermain project.
- ◆ Van Rite Plumbing began working on LSL RFQ #2.
- ◆ Contractor to begin watermain project on Clara Avenue and Julson Court in September.



JULY
2026

CUSTOMER RELATIONS & FISCAL SUMMARY

PAYMENT TRANSACTIONS



PAPERLESS ENROLLMENT

5,277

CUSTOMER TRANSFERS

226

COLLECTIONS

District 3

\$1,345,826

Total Billed

\$261,193

Outstanding
After Due Date

999

Past Due Letters Mailed

313

Owner/Landlord Letters
Mailed

\$115,668

Outstanding At
Month End

METERS



105

Meters

100

Meters Tested

Installed/Replaced

CROSS CONNECTION



74

Inspections Completed

WEBSITE VISITORS

5,275



JULY
2026

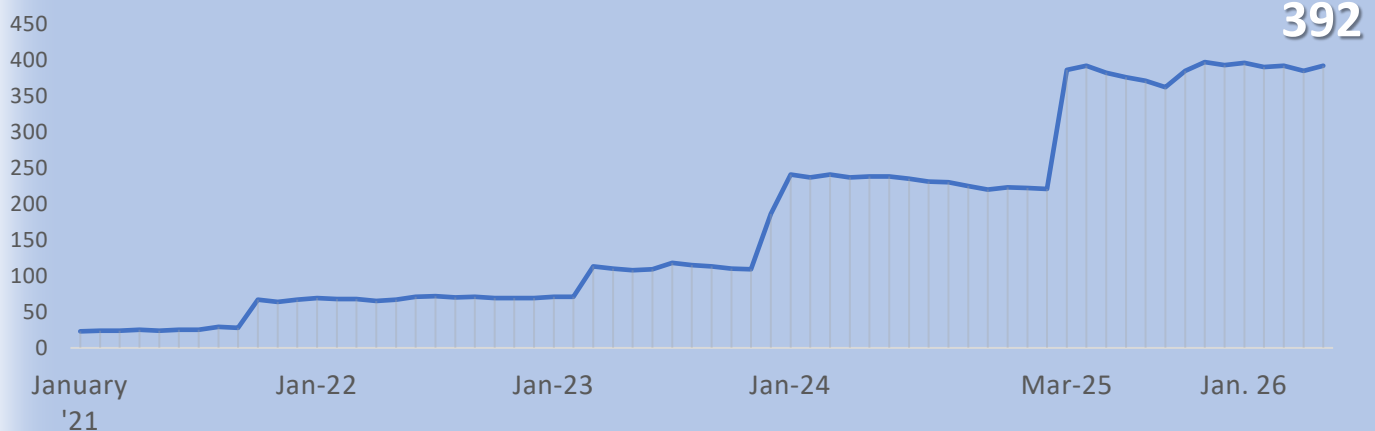
CUSTOMER RELATIONS & FISCAL SUMMARY

LEAK ALLOWANCES ISSUED

2 Customer Requests **280** CCF Allowed @ Reduced Rate



LEAD SERVICE LINE REPLACEMENT LOANS



ADDITIONAL CR/F ACTIVITIES

- ◆ Service Techs (STs) continue their work replacing meters due to age, and due to LSL replacements.
- ◆ Conducted small and large meter testing.
- ◆ Service Techs read meters for District 2 and Monthly.

JULY
2026

Cross Connection Control Program

2026 Contract Renewal

Hydro Corp was contracted in 2012 to conduct cross connection inspections to meet the requirements of SPS 382.4 and NR 810.15. They were contracted to develop a program and perform more complex inspections in our service area. Under the contract, Hydro Corp inspects commercial, industrial, multi-family, and public authority users.

Sheboygan Water Utility staff has built a positive relationship with our CCC inspectors from Hydro Corp. Hydro's administrative staff is highly responsive, detailed, and actively communicates with Sheboygan Water Utility staff. They provide detailed monthly reports regarding the number of facilities inspected and the number of violations found. The staff communicates directly with customers in our service area by mailing notices and providing over the phone and face to face service. Staff works alongside Utility staff and customers to ensure potential cross connections are removed.

Inspections are required every two, six or ten years based on the hazard level assigned to the facility. Inspectors from Hydro Corp are certified cross connection inspectors, who participate in continued education. Contracting with Hydro Corp to conduct cross connection inspections ensures facilities are being inspected by certified inspectors, potential backflow issues are eliminated, and our water supply is protected.

2025/2026 Contract: \$121,536 - 880 Inspections

2027/2028 Contract: \$133,776 - 900 Inspections

New contract increase is due to 20 more required inspections over two years, and a 5% inflationary increase.



RENEWAL SERVICE AGREEMENT

DEVELOPED FOR

Tamara Scheruen
Sheboygan Water Utility, WI

72 Park Ave.
Sheboygan, WI, 53081

8/12/2026

PROTECTING PEOPLE, WATER, & CRITICAL PIPING INFRASTRUCTURE

For more than four decades, HydroCorp has been dedicated to advancing drinking water safety, compliance, and sustainability nationwide. Specializing in cross-connection control, backflow prevention, and detailed piping system schematics, HydroCorp integrates technology with deep industry expertise to streamline on-site activities, customer service, and data management.

OUR SERVICES



Cross-Connection
Control Programs



Backflow Preventer
Test Tracking



Water Meter
Replacement & Testing



Piping Schematics



Water Quality
Management & Sampling



Corporate Office

5700 Crooks Road, Suite 100
Troy, MI 48098

844-493-7646

info@hydrocorpinc.com

hydrocorpinc.com

SCOPE OF WORK 3-4

PROFESSIONAL SERVICE AGREEMENT. 5-9

APPENDIX - QUALIFICATIONS.....10

Statement of Work

HydroCorp™ (“Company”) will provide the following services to the Sheboygan Water Utility, WI (“Client”). This project is a continued effort for an ongoing Cross-Connection Control Program and will provide the Sheboygan Water Utility, WI with the necessary data and information to maintain compliance with the Wisconsin Department of Natural Resources, Bureau of Drinking Water and Groundwater Cross Connection Control Regulations. Once this project has been approved and accepted by the Sheboygan Water Utility, WI and HydroCorp, you may expect completion of the following elements within a 24 month period. The continued components of the project include:

1.1. Program Review and Program Start-up Meeting. Company will conduct a Program Startup Meeting, if requested, for the Cross-Connection Control/Backflow Prevention Program. Items for discussion/review will include the following:

- Review state & local regulations
- Review and/or provide assistance in establishing local Cross-Connection Control Ordinance
- Review/establish wording and timeliness for program notifications including:
 - Inspection Notice, Compliance Notice, Non-Compliance Notices 1-2, and Penalty Notices
 - Testing Notices 1,2, and 3, if applicable
- Special Program Notices and Electronic use of notices/program information
- Obtain updated facility listing, address information and existing program data from Utility.
- Prioritize Inspections (Utility owned buildings, schools, high hazard facilities, special circumstances.)
- Review/establish procedure for vacant facilities.
- Establish facility inspection schedule.
- Review/establish procedures and protocols for addressing specific hazards.
- Review/establish high-hazard, complex facilities and large industrial facility inspection/containment procedures including supplemental information/notification that may be requested from these types of facilities in order to achieve program compliance.
- Review/establish program reporting procedures including electronic reporting tools, educational and public awareness brochures

1.2. Inspections. Company will perform Non-Residential Interior initial inspections, compliance inspections, and re-inspections at individual industrial, commercial, institutional facilities and miscellaneous water users within the utility served by the public water supply for cross-connections. Inspections will be conducted in accordance with the Wisconsin Department of Natural Resources, Bureau of Drinking Water and Groundwater Cross Connection Control Rules.

1.3. Inspection Schedule. Company shall determine and coordinate the inspection schedule. Inspection personnel will check in/out on a daily basis with the Client Contract Manager. The initial check-in will include a list of inspections scheduled. An exit interview will include a list of completed inspections.

1.4. Program Data. Company will generate and document the required program data for the Facility Types listed in the Services using the Company’s Software Data Management Program. Program Data shall remain property of Client; however, Company’s Software Data Management program shall remain the property of Company. View only and report capabilities are granted to Client. Additional Services include:

- (a) Prioritize and schedule inspections
- (b) Notify users of inspections and backflow device installation/testing requirements, if applicable
 - i. If applicable, Qualified Wisconsin Backflow Preventer Testers will register via HydroCorp Managed Software and be verified for current credentials prior to online test forms being accepted. Credential shall be maintained in HydroCorp Software and updated by HydroCorp staff.
 - ii. All testers are required to register & process results online
 - iii. Company does not accept test forms via fax, mail, or email from testers, water customers, or client
- (c) Monitor inspection compliance using Company’s online software management program
- (d) Maintain the program to comply with all Wisconsin Department of Natural Resources, Bureau of Drinking Water and Groundwater regulations
- (e) Provide data management and program notices for all inspection and testing (if applicable) services throughout the term

1.5. Account Listing Information. Client shall provide the following information to Company during initial onboarding. Company will accept updates via standard account template no more often than once per month. **Any development work to enter facility listing in Company database will be charged at the rate of \$80.00 per hour. Incorrect facility addresses will be returned to the Utility contact and corrected address will be requested.** Information to include:

- (a) Account Listing: Sheboygan Water Utility, WI to provide accurate account listing of active non-residential water customers with and without known backflow preventer assemblies.
- (b) Account Listing Format: Account listing to be provided in Excel format only; Required Account Information: Service Name, Service Street Address, Service City, Service State, Service Zip, Mailing Name, Mailing Street Address, Mailing City, Mailing State, Mailing Zip.
- (c) Required Device Information: Last Test Date, size, make, model, and serial number (if applicable)
 - i. All previous test data must be provided in excel format. Company will not accept paper tests for upload.

1.6. Cross Connection Control Plan and Review of Cross-Connection Control Ordinance. Company will review and/or comprehensive cross-connection control policy manual/plan and submit to the appropriate regulatory agency for approval on behalf of Client. Company will review or assist in the development of a cross-connection control ordinance.

1.7. Public Relations Program. Company will assist Client with a community-wide public relations program, including general awareness brochures and website cross-connection control program content. The utility/city will provide HydroCorp with an electronic copy of the utility logo or utility letterhead and all envelopes for the mailing of all official program correspondence only (300 dpi in either .eps, or other high-quality image format).

1.8. Support. Company will provide ongoing support via phone, website, or email for the Term.

1.9. Facility Types. The facility types included in the program are as follows: industrial; institutional; commercial; miscellaneous water users; and multifamily. Large industrial and high-hazard complexes or facilities may require inspection/survey services outside the scope of this Agreement. Company typically allows a maximum of up to three (3) hours of inspection time per facility. An independent cross-connection control survey (at the business owner's expense) may be required at these larger/complex facilities, and the results submitted to Client to help verify program compliance.

1.10. Inspection Terms. Company will perform a maximum of 900.00 inspections over the Term. The total inspections include all initial inspections, compliance, and re-inspections. Additional Inspections above the contract terms will be billed separately at a rate of \$148.64. Company Personnel will not enter confined spaces. *Vacant facilities that have been provided to Company, scheduled no show, or refusal of inspection will count as an inspection/site visit for purposes of the contract.*

1.11. Compliance with Wisconsin Department of Natural Resources, Bureau of Drinking Water and Groundwater. Company will assist in compliance with Wisconsin Department of Natural Resources, Bureau of Drinking Water and Groundwater cross-connection control program requirements for all commercial, industrial, institutional, residential, multifamily, and public authority facilities.

1.12. Inventory. Company shall inventory all accessible (ground level) backflow prevention assemblies and devices. Documentation will include: location, size, make, model, and serial number (if applicable).

1.13. Annual Year-End Review. Company will conduct an annual or year-end review meeting to discuss the overall program status and specific program recommendations.

1.14. Vacuum Breakers. HydroCorp will provide up to six (6) ASSE-approved hose bibb vacuum breakers or anti-frost hose bibb vacuum breakers per facility as required, in order to place a facility into immediate compliance at the time of inspection if no other cross-connections are identified.

The above services will be provided for:

Year	Billing Amount (Monthly)	Annual Amount
Year 1	\$5,437.88	\$65,254.50
Year 2	\$5,710.13	\$68,521.50
Contract Total		\$133,776.00

Contract Amount is based upon a 24 Months term and shall renew in 12-month increments after term unless written cancellation by either party received at least 60 days prior to renewal. HydroCorp will invoice Monthly. Pricing is valid for 90 days from the date of the proposal.

SIGNATURES

IN WITNESS WHEREOF, the parties have duly executed this Agreement effective as of the date of 1/1/2027.

Sheboygan Water Utility, WI

HydroCorp



By: Tamara Scheruen
Title:

By: Paul M. Patterson
Its: Senior Vice President

HYDROCORP, LLC
TERMS AND CONDITIONS FOR PROFESSIONAL SERVICES

1. **Applicability.** These terms and conditions (these “**Terms**”) are the only terms which govern the provision of the professional services (“**Services**”) by HydroCorp, LLC, a Michigan limited liability company (“**Company**”) to the customer named on the attached statement of work, order form, proposal, or purchase order (“**Client**”, and together with Company the “**Parties**” and each individually a “**Party**”). The attached statement of work, order form, proposal, or purchase order (the “**Proposal**”) and these Terms (collectively, this “**Agreement**”) comprise the entire agreement between the Parties, and supersede all prior or contemporaneous understandings, agreements, negotiations, representations and warranties, and communications, both written and oral. The Proposal is limited to and conditional upon Client’s acceptance of these Terms exclusively. Any additional or different terms proposed by Client, whether in the Proposal or otherwise, are unacceptable to Company, are expressly rejected by Company, and will not become a part of the Proposal.

2. **Performance of Services; Company Obligations.** Company shall provide to Client the Services described and in accordance with the terms and conditions set forth in this Agreement. Additional Services may be added only by executing a new Proposal. Company shall provide Client with an electronic file copy of the utility logo or utility letterhead and all envelopes for the mailing of all official program correspondence only.

3. **Client Obligations.** Client shall: (a) designate one of its employees or agents to serve as its primary contact with respect to this Agreement and to act as its authorized representative with respect to matters pertaining to this Agreement (the “**Client Contract Manager**”), with such designation to remain in force unless and until a successor Client Contract Manager is appointed; (b) require that the Client Contract Manager respond promptly to any reasonable requests from Company for instructions, information, or approvals required by Company to provide the Services; (c) cooperate with Company in its performance of the Services and provide access to Client’s premises, employees, contractors, and equipment as required to enable Company to provide the Services; (d) take all steps necessary, including obtaining any required licenses or consents, to prevent Client-caused delays in Company’s provision of the Services; (e) comply with all responsibilities listed on the Proposal in connection with Company’s provision of the Services.

4. **Fees and Expenses.** In consideration of the provision of the Services by Company and the rights granted to Client under this Agreement, Client shall pay the fees set out in the applicable Proposal. Payment to Company of such fees and the reimbursement of expenses pursuant to this Section 4 shall constitute payment in full for the performance of the Services. Unless otherwise provided in the applicable Proposal, all payments shall be due and payable within thirty (30) days of the date set forth on an invoice. Client shall reimburse Company for all reasonable expenses incurred in accordance with the Proposal if such expenses have been pre-approved, in writing by the Client Contract Manager, within thirty (30) days of receipt by Client of an invoice from Company accompanied by receipts and reasonable supporting documentation. Client shall be responsible for all sales, use and excise taxes, and any other similar taxes, duties and charges of any kind imposed by any federal, state or local governmental entity on any amounts payable by Client hereunder; and to the extent Company is required to pay any such sales, use, excise, or other taxes or other duties or charges, Client shall reimburse Company in connection with its payment of fees and expenses as set forth in this Section 4. Notwithstanding the previous sentence, in no event shall Client pay or be responsible for any taxes imposed on, or regarding, Company’s income, revenues, gross receipts, personnel, or real or personal property or other assets.

5. **Intellectual Property; Ownership.**

(a) Except as set forth in Section 5(c), Client is, and shall be, the sole and exclusive owner of all right, title, and interest in and to the Deliverables (as defined herein) upon full payment of any fees owed to Company, including all Intellectual Property Rights (as defined herein) therein. Company agrees, and will cause its employees or contractors (the “**Company Representatives**”) to agree, that with respect to any Deliverables that may qualify as “work made for hire” as defined in 17 U.S.C. § 101, such Deliverables are hereby deemed a “work made for hire” for Client. To the extent that any of the Deliverables do not constitute a “work made for hire”, Company hereby irrevocably assigns, and shall cause the Company Representatives to irrevocably assign to Client, in each case without additional consideration, all right, title, and interest throughout the world in and to the Deliverables, including all Intellectual Property Rights therein. Company shall cause the Company Representatives to irrevocably waive, to the extent permitted by applicable law, any and all claims such Company Representatives may now or hereafter have in any jurisdiction to so-called “moral rights” or rights of droit moral with respect to the Deliverables. As used herein: (a) “**Deliverables**” mean all documents, work product, and other materials that are delivered to Client hereunder or prepared by or on behalf of Company in the course of performing the Services; and (b) “**Intellectual Property Rights**” means all (i) patents, patent disclosures, and inventions (whether patentable or not), (ii) trademarks, service marks, trade dress, trade names, logos, corporate names, and domain names, together with all of the goodwill associated therewith, (iii) copyrights and copyrightable works (including computer programs), and rights in data and databases, (iv) trade secrets, know-how, and other confidential information, and (v) all other intellectual property rights, in each case whether registered or unregistered and including all applications for, and renewals or extensions of, such rights, and all similar or equivalent rights or forms of protection in any part of the world.

(b) Upon Client’s reasonable request, Company shall, and shall cause the Company Representatives to, promptly take such further actions, including execution and delivery of all appropriate instruments of conveyance, as may be necessary to assist Client to prosecute, register, perfect, or record its rights in or to any Deliverables.

(c) Company and its licensors are, and shall remain, the sole and exclusive owners of all right, title, and interest in and to the Pre-Existing Materials (as defined herein), including all Intellectual Property Rights therein. Company hereby grants Client a limited, irrevocable, perpetual, fully paid-up, royalty-free, non-transferable, non-sublicenseable, worldwide license to use, perform, display, execute, reproduce, distribute, transmit, modify (including to create derivative works), import, make, have made, sell, offer to sell, and otherwise exploit any Pre-Existing Materials to the extent incorporated in, combined with or otherwise necessary for the use of the Deliverables solely to the extent reasonably required in connection with Client’s receipt or use of the Services and Deliverables. All other rights in and to the Pre-Existing Materials are expressly reserved by Company. As used herein, “**Pre-Existing Materials**” means all documents, data, know-how, methodologies, software, and other materials, including computer programs, reports, and specifications, provided by or used by Company in connection with performing the Services, in each case developed or acquired by Company prior to the commencement or independently of this Agreement.

(d) Client and its licensors are, and shall remain, the sole and exclusive owner of all right, title, and interest in and to the Client Materials (as defined herein), including all Intellectual Property Rights therein. Company shall have no right or license to use any Client Materials except solely during the Term to the extent necessary to provide the Services to Client. All other rights in and to the Client Materials are expressly reserved by Client. As used herein, “**Client Materials**” means any documents, data, know-how, methodologies, software, and other materials provided to Company by Client.

6. Access to Company's Software Data Management Program; Management Reports.

(a) Subject to the terms and conditions in this Section 6, Client may, at Client's option, elect to access and use Company's Software Data Management Program (the "**Software**") during the Term. Company will generate and document the required program data for the facility types listed in the Proposal using the Software. Any Client Materials inserted into the Software by or on behalf of Client, or any Deliverables produced as a result of the Software, shall remain property of Client; however, the Software shall remain the property of HydroCorp.

(b) Client agrees to not (i) copy, modify, or create derivative works of the Software, in whole or in part; (ii) rent, lease, lend, sell, sublicense, assign, distribute, publish, transfer, or otherwise make available the Software; (iii) reverse engineer, disassemble, decompile, decode, adapt or otherwise attempt to derive the source code of the Software, in whole or in part; (iv) remove any proprietary notices from the Software; or (v) use the Software in any manner or for any purpose that infringes, misappropriates, or otherwise violates any intellectual property rights of Company.

(c) Client acknowledges that, as between Client and Company, Company owns all right, title and interest, including all intellectual property rights in and to the Software and any derivative works thereof, including all changes, modification, improvements, updates, version, and new releases or any information or data generated by the Software.

(d) Company warrants as of the date of the Proposal, the Software is in functioning condition and is not delivered with viruses or malicious code. EXCEPT FOR THE WARRANTY SET FORTH ABOVE, THE SOFTWARE IS PROVIDED "AS IS" AND COMPANY DISCLAIMS ALL WARRANTIES, WHETHER EXPRESS, IMPLIED, STATUTORY, OR OTHERWISE, INCLUDING BUT NOT LIMITED TO ALL IMPLIED WARRANTIES OF MERCHANTABILITY, NON-INFRINGEMENT, OR FITNESS FOR A PARTICULAR PURPOSE. COMPANY MAKES NO WARRANTY (i) THAT CLIENT'S USE OF THE SOFTWARE WILL MEET CLIENT'S REQUIREMENTS, BE ACCURATE, OR BE ERROR FREE, (ii) THAT THE SOFTWARE WILL BE AVAILABLE AT ANY PARTICULAR TIME OR LOCATION; (iii) THAT ANY DEFECTS OR ERRORS WILL BE CORRECTED; (iv) THAT CLIENT MAY RELY ON THE SOFTWARE FOR COMPLIANCE WITH ANY STATUTORY OR REGULATORY REQUIREMENTS AND/OR REPORTING OBLIGATIONS; OR (v) THAT THE SOFTWARE WILL BE COMPATIBLE WITH ANY HARDWARE OR SYSTEMS SOFTWARE CONFIGURATION.

(e) Comprehensive management reports in electronic, downloadable format on a, as applicable to Client, monthly, quarterly, and/or annual basis shall be available for access by Client. Reports to include the following information: (i) name, location, and date of inspections; (ii) number of facilities inspected/surveyed; and (iii) number of facilities compliant/non-compliant.

7. Confidentiality. From time to time during the Term, either Party (as the "**Disclosing Party**") may disclose or make available to the other Party (as the "**Receiving Party**"), non-public, proprietary, and confidential information of Disclosing Party, whether disclosed in writing or orally, and whether or not labeled as "confidential" ("**Confidential Information**"); provided, however, that Confidential Information does not include any information that: (a) is or becomes generally available to the public other than as a result of Receiving Party's breach of this Section 7; (b) is or becomes available to the Receiving Party on a non-confidential basis from a third-party source that was not legally or contractually restricted from disclosing such information; (c) the Receiving Party establishes by documentary evidence, was in Receiving Party's possession prior to Disclosing Party's disclosure hereunder; or (d) the Receiving Party establishes by documentary evidence, was or is independently developed by Receiving Party or its personnel without using any of the Disclosing Party's Confidential Information. The Receiving Party shall: (i) protect and safeguard the confidentiality of the Disclosing Party's Confidential

Information with at least the same degree of care as the Receiving Party would protect its own Confidential Information, but in no event with less than a commercially reasonable degree of care; (ii) not use the Disclosing Party's Confidential Information, or permit it to be accessed or used, for any purpose other than to exercise its rights or perform its obligations under this Agreement; and (iii) not disclose any such Confidential Information to any person or entity, except to the Receiving Party's Representatives (as hereinafter defined) who need to know the Confidential Information to assist the Receiving Party, or act on its behalf, to exercise its rights or perform its obligations under this Agreement. If the Receiving Party becomes legally compelled to disclose any Confidential Information, the Receiving Party shall provide: (A) prompt written notice of such requirement so that the Disclosing Party may seek, at its sole cost and expense, a protective order or other remedy; and (B) reasonable assistance, at the Disclosing Party's sole cost and expense, in opposing such disclosure or seeking a protective order or other limitations on disclosure. If, after providing such notice and assistance as required herein, the Receiving Party remains required by applicable law to disclose any Confidential Information, the Receiving Party shall disclose no more than that portion of the Confidential Information which, on the advice of the Receiving Party's legal counsel, the Receiving Party is legally required to disclose and, upon the Disclosing Party's request, shall use commercially reasonable efforts to obtain assurances from the applicable court or agency that such Confidential Information will be afforded confidential treatment. As used herein, "**Representatives**" mean a Party's affiliates and each of their respective employees, agents, contractors, subcontractors, officers, directors, partners, shareholders, attorneys, third-party advisors, successors and permitted assigns.

8. Indemnification. Client shall defend, indemnify, and hold harmless Company and its affiliates and its and their respective members, managers, officers, directors, employees, agents, successors, and permitted assigns from and against all Losses (as defined herein) arising out of or resulting from any third-party claim arising out of or resulting from: (a) bodily injury, death of any person, or damage to real or tangible, personal property resulting from the grossly negligent or willful acts or omissions of Client; or (b) Client's breach of any representation, warranty, or obligation of Client in this Agreement. As used herein, "**Losses**" mean all losses, damages, liabilities, deficiencies, actions, judgments, interest, awards, penalties, fines, costs, or expenses of whatever kind, including reasonable attorneys' fees and the cost of enforcing any right to indemnification hereunder and the cost of pursuing any insurance providers.

9. Representations and Warranties. Each Party represents and warrants to the other Party that: (a) if an entity, it is duly organized, validly existing and in good standing as a corporation or other entity as represented herein under the laws and regulations of its jurisdiction of incorporation, organization, or chartering, or, if a municipal agency, it has the authority under the laws of its state of jurisdiction; (b) it has the full right, power, and authority to enter into this Agreement, to grant the rights and licenses granted hereunder, and to perform its obligations hereunder; (c) the execution of this Agreement by its representative whose signature is set forth at the end hereof has been duly authorized by all necessary corporate action of the Party; and (d) when executed and delivered by such Party, this Agreement will constitute the legal, valid, and binding obligation of such Party, enforceable against such Party in accordance with its terms.

10. Limited Warranty.

(a) Company warrants that it shall perform the Services: (i) in accordance with the terms and subject to the conditions set out in the respective Proposal and this Agreement; (ii) using personnel of industry standard skill, experience, and qualifications; and (iii) in a timely,

workmanlike, and professional manner in accordance with generally recognized industry standards for similar services.

(b) Company's sole and exclusive liability and Client's sole and exclusive remedy for breach of this warranty shall be as follows:

i. Company shall use commercially reasonable efforts to promptly cure any such breach; provided, that if Company cannot cure such breach within a reasonable time (but no more than thirty (30) days) after Client's written notice of such breach, Client may, at its option, terminate the Agreement by serving written notice of termination in accordance with Section 12.

ii. In the event the Agreement is terminated pursuant to Section 10(b)(i) above, Company shall within thirty (30) days after the effective date of termination, refund to Client any fees paid by Client as of the date of termination for the Service or Deliverables, less a deduction equal to the fees for receipt or use of such Deliverables or Service up to and including the date of termination on a pro-rated basis.

iii. The foregoing remedy shall not be available unless Client provides written notice of such breach within thirty (30) days after delivery of such Service or Deliverable to Client.

iv. COMPANY MAKES NO WARRANTIES EXCEPT FOR THAT PROVIDED IN SECTION 10(a) ABOVE. ALL OTHER WARRANTIES, EXPRESS AND IMPLIED, ARE EXPRESSLY DISCLAIMED.

11. Limitation of Liability. IN NO EVENT SHALL COMPANY BE LIABLE TO CLIENT OR TO ANY THIRD PARTY FOR ANY LOSS OF USE, REVENUE, OR PROFIT OR LOSS OF DATA OR DIMINUTION IN VALUE, OR FOR ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, EXEMPLARY, SPECIAL, OR PUNITIVE DAMAGES WHETHER ARISING OUT OF BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE), OR OTHERWISE, REGARDLESS OF WHETHER SUCH DAMAGE WAS FORESEEABLE AND WHETHER OR NOT COMPANY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, AND NOTWITHSTANDING THE FAILURE OF ANY AGREED OR OTHER REMEDY OF ITS ESSENTIAL PURPOSE. IN NO EVENT SHALL COMPANY'S AGGREGATE LIABILITY ARISING OUT OF OR RELATED TO THIS AGREEMENT, WHETHER ARISING OUT OF OR RELATED TO BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE), OR OTHERWISE, EXCEED THE AGGREGATE AMOUNTS PAID TO COMPANY PURSUANT TO THE APPLICABLE PROPOSAL GIVING RISE TO THE CLAIM.

12. Term and Termination. This Agreement shall commence on the effective date of the Proposal and shall continue thereafter (a) for the term set forth in the Proposal or (b) if the term is silent, until the Services are completed by Company, unless, in either case, earlier terminated by either Party as set forth herein (the "**Term**"). Upon commencement of each Proposal, Client acknowledges and agrees that the fees owed by Client to Company shall be subject to an annual increase equal to the Consumer Price Index for All Urban Consumers (CPI-U); U.S. City Average; All items, not seasonally adjusted, 1982-1984=100 reference base, as of such annual fee increase date, or 4%, whichever is greater. Either Party may terminate this Agreement, effective upon written notice to the other Party (the "**Defaulting Party**"), if the Defaulting Party: (i) breaches this Agreement, and such breach is incapable of cure, or with respect to a breach capable of cure, the Defaulting Party does not cure such breach within thirty (30) days after receipt of written notice of such breach; (ii) becomes insolvent or admits its inability to pay its debts generally as they become due; (iii) becomes subject, voluntarily or involuntarily, to any proceeding under any domestic or foreign bankruptcy or insolvency law, which is not fully stayed within seven (7) business days or is not dismissed or vacated within forty-five (45) days after filing; (iv) is dissolved or liquidated or takes any corporate action for such purpose; (v) makes a general assignment for the benefit of creditors; or (vi) has a receiver, trustee, custodian, or similar agent appointed by order of any court of competent jurisdiction to take charge of or sell any material portion of its property or business. Termination of this Agreement will not automatically terminate any outstanding Proposal, and the applicable

Proposal shall continue in full force and effect until (A) completion of the Services set forth in the applicable outstanding Proposal (B) termination of the applicable Proposal pursuant to additional terms set forth therein, or (C) termination of the Proposal by the non-Defaulting Party.

13. Insurance.

(a) During the term of this Agreement, Client shall, at its own expense, maintain and carry insurance with financially sound and reputable insurers, in full force and effect that includes, but is not limited to, commercial general liability on an all-risk basis and including extended coverage for matters set forth in this Agreement with financially sound and reputable insurers. Upon Company's request, Client shall provide Company with a certificate of insurance from Client's insurer evidencing the insurance coverage specified in this Agreement. The certificate of insurance shall name Company as an additional insured. Client shall provide Company with thirty (30) days' advance written notice in the event of a cancellation or material change in Client's insurance policy. Except where prohibited by law, Client shall require its insurer to waive all rights of subrogation against Company's insurers and Company.

(b) During the term of this Agreement, Company shall, at its own expense, maintain and carry the following types of insurance: (i) Comprehensive General Liability with limits no less than one million dollars (\$1,000,000) per occurrence and two million dollars (\$2,000,000) in the aggregate; (ii) Excess Umbrella Liability with limits no less than five million dollars (\$5,000,000) per occurrence and five million dollars (\$5,000,000) in the aggregate; (iii) Automobile Liability with limits no less than one million dollars (\$1,000,000), combined single limit; (iv) Worker's Compensation with limits no less than one million dollars (\$1,000,000) per occurrence; and (v) Errors and Omissions Liability with limits no less than two million dollars (\$2,000,000) per occurrence and two million dollars (\$2,000,000) in the aggregate. Upon Client's request, Company shall provide Client with a certificate of insurance from Company's insurer evidencing the insurance coverage specified in this Agreement. The certificate of insurance for the Comprehensive General Liability policy shall name Client as an additional insured. Company shall provide Client with thirty (30) days' advance written notice in the event of a cancellation or material change in Client's insurance policy.

14. Entire Agreement. This Agreement, including and together with any related Proposals, exhibits, schedules, attachments, and appendices, constitutes the sole and entire agreement of the Parties with respect to the subject matter contained herein, and supersedes all prior and contemporaneous understandings, agreements, representations, and warranties, both written and oral, regarding such subject matter.

15. Notices. All notices, requests, consents, claims, demands, waivers, and other communications under this Agreement (each, a "**Notice**") must be in writing and addressed to the other Party at its address set forth on the Proposal (or to such other address that the receiving Party may designate from time to time in accordance with this Section 15). Unless otherwise agreed herein, all Notices must be delivered by personal delivery, nationally recognized overnight courier or certified or registered mail (in each case, return receipt requested, postage prepaid). Except as otherwise provided in this Agreement, a Notice is effective only (a) on receipt by the receiving Party; and (b) if the Party giving the Notice has complied with the requirements of this Section 15.

16. Severability. If any term or provision of this Agreement is found by a court of competent jurisdiction to be invalid, illegal, or unenforceable in any jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction.

17. Waiver. No waiver by any Party of any of the provisions of this Agreement shall be effective unless explicitly set forth in writing and

signed by the Party so waiving. Except as otherwise set forth in this Agreement, no failure to exercise, or delay in exercising, any right, remedy, power, or privilege arising from this Agreement shall operate or be construed as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power, or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power, or privilege.

18. Assignment; Successors and Assigns. Client shall not assign, transfer, delegate, or subcontract any of its rights or delegate any of its obligations under this Agreement without the prior written consent of Company. Any purported assignment or delegation in violation of this Section 18 shall be null and void. No assignment or delegation shall relieve Client of any of its obligations under this Agreement. Company may assign any of its rights or delegate any of its obligations to any affiliate or to any person acquiring all or substantially all of Company's assets without Client's consent. This Agreement is binding on and inures to the benefit of the Parties to this Agreement and their respective permitted successors and permitted assigns.

19. Relationship of the Parties. The relationship between the Parties is that of independent contractors. The details of the method and manner for performance of the Services by Company be under its own control, Client being interested only in the results thereof. Company shall be solely responsible for supervising, controlling, and directing the details and manner of the completion of the Services. Nothing in this Agreement shall give Client the right to instruct, supervise, control, or direct the details and manner of the completion of the Services. The Services must meet Client's final approval and shall be subject to Client's general right of inspection throughout the performance of the Services and to secure satisfactory final completion. Nothing contained in this Agreement shall be construed as creating any agency, partnership, joint venture, or other form of joint enterprise, employment, or fiduciary relationship between the Parties, and neither Party shall have authority to contract for or bind the other Party in any manner whatsoever.

20. No Third-Party Beneficiaries. This Agreement benefits solely the Parties to this Agreement and their respective permitted successors and assigns and nothing in this Agreement, express or implied, confers on any other person or entity any legal or equitable right, benefit, or remedy of any nature whatsoever under or by reason of this Agreement.

21. Choice of Law. This Agreement and all related documents including all exhibits attached hereto and all matters arising out of or relating to this Agreement, whether sounding in contract, tort, or statute are governed by, and construed in accordance with, the laws of the State in which Client's principal place of business is located, without giving effect to the conflict of laws provisions thereof to the extent such principles or rules would require or permit the application of the laws of any jurisdiction other than those of the State in which Client's principal place of business is located.

22. Waiver of Jury Trial. EACH PARTY ACKNOWLEDGES THAT ANY CONTROVERSY THAT MAY ARISE UNDER THIS AGREEMENT, INCLUDING EXHIBITS, SCHEDULES, ATTACHMENTS, AND APPENDICES ATTACHED TO THIS AGREEMENT, IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES AND, THEREFORE, EACH SUCH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LEGAL ACTION ARISING OUT OF OR RELATING TO THIS AGREEMENT, INCLUDING ANY EXHIBITS, SCHEDULES, ATTACHMENTS, OR APPENDICES ATTACHED TO THIS AGREEMENT, OR THE TRANSACTIONS CONTEMPLATED HEREBY.

23. Force Majeure. No Party shall be liable or responsible to the other Party, or be deemed to have defaulted under or breached this Agreement, for any failure or delay in fulfilling or performing any term of this Agreement (except for any obligations of Client to make payments to Company hereunder), when and to the extent such failure or delay is caused by or results from acts beyond the impacted Party's ("Impacted Party") reasonable control, including, without limitation, the following force majeure events ("**Force Majeure Event(s)**"): (a) acts of God; (b) flood, fire, earthquake, pandemics, epidemics, or explosion; (c) war, invasion, hostilities (whether war is declared or not), terrorist threats or acts, riot, or other civil unrest; (d) government order, law, or actions; (e) embargoes or blockades in effect on or after the date of this Agreement; (f) national or regional emergency; (g) strikes, labor stoppages, or slowdowns, or other industrial disturbances; (h) telecommunication breakdowns, power outages or shortages, lack of warehouse or storage space, inadequate transportation services, or inability or delay in obtaining supplies of adequate or suitable materials; and (i) other similar events beyond the reasonable control of the Impacted Party. The Impacted Party shall give notice within ten (10) days of the Force Majeure Event to the other Party, stating the period of time the occurrence is expected to continue. The Impacted Party shall use diligent efforts to end the failure or delay and ensure the effects of such Force Majeure Event are minimized. The Impacted Party shall resume the performance of its obligations as soon as reasonably practicable after the removal of the cause. In the event that the Impacted Party's failure or delay remains uncured for a period of fifteen (15) days following written notice given by it under this Section 23, the other Party may thereafter terminate this Agreement upon fifteen (15) days' written notice.

24. Publicity. Unless the a Party provides the other Party with written notice to the contrary or of any reasonable restrictions or requirements, such Party acknowledges and agrees that the other Party shall have the right to use such Party's name, likeness, and logos in any digital, online, and printed publicity or marketing materials prepared by the other Party and in presentations to current or prospective clients and others.

Appendix

Specific Qualifications & Experience

HydroCorp™ is a professional service organization that specializes in Cross Connection Control Programs. Cross Connection Control Program Management & Training is the main core and focus of our business. We are committed to providing water utilities and local communities with a cost-effective and professionally managed cross-connection control program in order to assist in protecting the public water supply.

- HydroCorp conducts over 110,000 Cross Connection Control Inspections **annually**.
- HydroCorp tracks and manages over 135,000+ backflow prevention assemblies for our Municipal client base.
- Our highly trained staff works in an efficient manner in order to achieve maximum productivity and keep program costs affordable. We have a detailed **system** and **process** that each of our field inspectors follow in order to meet productivity and quality assurance goals.
- Our municipal inspection team is committed to providing outstanding customer service to the water users in each of the communities we serve. We teach and train customer service skills in addition to the technical skills since our team members act as representatives of the community that we service.
- Our municipal inspection team has attended training classes and received certification from the following recognized Cross Connection Control Programs: UF TREEO, UW-Madison, and USC – Foundation for Cross Connection Control and Hydraulic Research, American Backflow Prevention Association (ABPA), American Society for Sanitary Engineering (ASSE). HydroCorp recognizes the importance of Professional Development and Learning. We invest heavily in internal and external training with our team members to ensure that each Field Service and Administrative team member has the skills and abilities to meet the needs of our clients.
- We have a trained administrative staff to handle client needs, water user questions and answer telephone calls in a professional, timely, and courteous manner. Our administrative staff can answer most technical calls related to the cross-connection control program and have attended basic cross-connection control training classes.
- HydroCorp currently serves over 550 communities in Michigan, Wisconsin, Minnesota, Maryland, Delaware, Virginia, California, Idaho, Utah & Florida. We still have our first customer!
- HydroCorp and its' staff are active members in many water industry associations including: National Rural Water Association, State Rural Water Associations, National AWWA, State AWWA Groups, HydroCorp is committed to assisting these organizations by providing training classes, seminars, and assistance in the area of Cross Connection Control.
- Several Fortune 500 companies have relied on HydroCorp to provide Cross Connection Control Surveys, Program Management & Reporting to assist in meeting state/local regulations as well as internal company guidelines.