

OPERATIONS SERVICE AGREEMENT

Pendleton Water Association



This agreement is made and entered into this ____ day of July, 2025, by and between Pendleton Water Association, Incorporated, a nonprofit organization existing under the Laws of the State of Louisiana and situate, lying and being within the Sabine Parish (hereinafter "Owner"), whose address for any formal notice is 62 Queens Rd Many, LA 71449, and EOM Public Works, LLC dba Cenla Environmental Science, a limited liability company existing under the Laws of the State of Georgia and domiciled in Bryan County, Georgia, (hereinafter "Cenla"), whose address for any formal notice is PO Box 1648 Richmond Hill, GA 31324.

Owner and Cenla agree:

1. General Conditions

- 1.1. This agreement shall be governed by and interpreted in accordance with the Laws of the State of Louisiana.
- 1.2. All notices shall be in writing and transmitted by certified mail to the addresses noted in this Agreement. Electronic communication (e-mail) may be used for general communication between Owner and Cenla.
- 1.3. This Agreement sets forth the general terms and conditions which shall govern the relationship and performance of Owner and Cenla. Cenla shall provide services as set forth in this Agreement and subsequent amendments.
- 1.4. This Agreement may be modified only by written agreement signed by both parties. Wherever used, the terms "Owner" and "Cenla" shall include their respective officers, agents, directors, elected or appointed officials, and employees.
- 1.5. From time to time Owner may request that Cenla provide additional services outside of the scope of work. Each request shall be documented in a Service Agreement consistent with the format of this Agreement, and, upon acceptance by Owner and Cenla, shall be considered an amendment to this Agreement.
- 1.6. Upon execution of this Agreement, Owner and Cenla shall designate specific individuals to act as Owner's and Cenla's representatives with respect to the services performed or furnished under this Agreement. Such individual shall have authority to transmit instructions, receive information, and render decisions with respect to materials, equipment, elements and systems pertinent to Cenla's services.
- 1.7. "Base Fee" means the compensation paid by Owner to Cenla for the services defined in this Service Agreement for any year of the Service Agreement related to labor, employee benefits, overhead, general liability, workers compensation, payroll taxes, personal protective equipment, cellular phones and uniforms. An allowance of Forty-Three Thousand (\$43,000.00) has been included in the Base Fee for routine maintenance materials and vehicle fuel expenses. The Base Fee is specified in Section 8 and will be renegotiated annually. This compensation does not include payments for Requests by Owner that are incidental to or outside the Scope of Services or repair costs.
- 1.8. "Capital Expenditures" means any expenditures for (1) the purchase of new equipment or facility items that cost more than Five Thousand Dollars (\$5,000.00) and are deemed by the Owner to be a Capital Expenditure; or (2) Major Repairs that significantly extend equipment or facility service life and cost more than Five Thousand Dollars (\$5,000.00) and are deemed by the Owner to be a Capital Expenditure; or (3) expenditures that are planned, non-routine, and budgeted by Owner and are deemed by the Owner to be a Capital Expenditure.

1.9. "Change in the Scope of Services" means those events or services which either change the basis of cost or add additional scope to the services provided in this Service Agreement which are anticipated as long-term events (greater than one year). Such events or services include, but are not limited to, services and/or cost presently the responsibility of Owner, newly mandated regulatory requirements, construction and the impact thereof, and changes in the Project(s) characteristics.

1.10. "Cost" means the total of all costs determined on an accrual basis in accordance with Generally Accepted Accounting Principles (GAAP), including, but not limited to, direct labor, labor overhead, chemicals, materials, supplies, utilities, equipment, maintenance, repair, and outside services.

1.11. "Incidental Services" means those services requested by Owner incidental to/or not specifically identified or included in Cenla's Costs, but are related to or similar in nature to the services contemplated under this Service Agreement, including, but not limited to, services and/or cost for plant or facility upgrades, rate studies, short-term construction and the impacts thereof, engineering studies, and other short-term incidental projects.

1.12. "Preventive Maintenance Cost" means the cost of those routine and/or repetitive activities required or recommended by the equipment or facility manufacturer or Cenla to maximize the service life of the equipment, sewer, vehicles, and facility.

1.13. "Project" means all equipment, vehicles, grounds, and facilities described herein, and, where appropriate, the operations, maintenance, and management of such.

1.14. "Repair Costs" means the cost of those non-routine/non-repetitive activities required for operational continuity, safety, and performance generally resulting from failure of or to avert a failure of the equipment, sewer, vehicle or facility or some component thereof.

1.15. "Force Majeure" means any event or condition including but not limited to (i) fire, flood, strike, acts of God, acts of public enemy, war blockage, sabotage, insurrection, riot or civil disturbance or a pandemic event; (ii) change in law, regulation, rule, requirement, interpretation or statute adopted, promulgated, issued or otherwise specifically modified or changed by any local, state, provincial, federal or other governmental body; (iii) labor disputes, strikes, work slowdowns or work stoppages, but excluding labor disputes, strike or work slowdowns or stoppages by employees of Cenla; (iv) loss or inability to obtain service from a utility necessary to furnish power for the operation and maintenance of the Project.

1.16. "Major Unforeseen circumstances" means any event or condition including but not limited to (i) force majeure events or conditions; (ii) mechanical failure due to design flaws, normal wear and tear or improper installation provided by others; (iii) the presence of Biologically Toxic Substances in the influent or the presence of hazardous wastes, materials or liquids in the influent or raw water supply which detrimentally affect the machinery, infrastructure or processes at the Project.

2. General Services

2.1 Pay all labor related expenditures incurred in normal project operations except as otherwise included in Owner's responsibilities.

2.2 Alter as needed the process and/or facilities to achieve the objectives of this Agreement; provided, however, that no alteration shall be without Owner's written approval if alteration shall cost in excess of Two Thousand Five Dollars (\$2,500.00).

2.3 Staff the Project with sufficient number of qualified employees who possess the managerial, administrative, and technical skills to perform the services specified in this Service Agreement, and, where appropriate, have met the certification requirements mandated by the State of Louisiana.

- 2.4 Use a computerized maintenance management system (CMMS) software platform for operations and maintenance. The CMMS software platform will track all preventative and corrective maintenance activities, cost and histories. Historical data will be readily available.
- 2.5 Maintain a detailed inventory control system for routine and critical spare parts to include current levels, purchasing history and usage.
- 2.6 Cenla agrees to provide job-related training for personnel in the areas including, but not limited to, operation, quality, maintenance, safety, supervisory skills, laboratory, and energy management. All such training shall be fully documented. Where employees are required by law or regulation to hold current licenses, certificates or authority to perform work required of their respective positions, Cenla shall provide the training and agree with the employee to a reasonable timeframe for the employee to qualify for such certificate, license or authority.
- 2.7 Place, at each permanently staffed project facility, a copy of Cenla's Corporate Safety Program, and provide all employees training specific to this Program within forty-five (45) days from the effective date of this Agreement. This program will include weekly documented safety training, job safety analysis, emergency response plan, chemical hygiene plan, and an annual safety review.
- 2.8 Provide documentation and assistance for the Owner to enforce all warranties on new equipment after the effective date of the Service Agreement.
- 2.9 Be responsible for the operation and monitoring of the Project 24 hours per day, 7 days per week. Staffing levels will be sufficient to meet safety requirements and all regulatory agency requirements at all times, including response to emergency calls 24 hours per day, 7 days per week, within one (1) hour of its occurrence. Cenla shall designate, as a minimum, one (1) staff member as standby to respond to such calls.

2.10 Maintain aesthetics of the facilities:

- 2.10.1 In general, maintain all facilities in a clean, neat, and orderly fashion.
- 2.10.2 Administrative and other occupied spaces shall be kept clean, dry, and habitable.
- 2.10.3 Other spaces and floors shall be free of sewage, screenings, sludge, and debris.
- 2.10.4 Equipment, tools, and materials will be properly stored.
- 2.10.5 Grass shall be maintained, and other grounds shall be free of noxious weeds.

2.11 Utilize Owner-provided security devices during Cenla's hours of operation to protect against any losses resulting from theft, damage or unauthorized use of the Project. Existing security devices include: fencing, lockable structures, and limited intrusion alarm, where applicable. Upon exiting the Project, Cenla shall make sure that all Project gates and structures are locked and that any security alarms are activated.

2.12 Comply with all State and Federal requirements regarding affirmative action and provisions for minority hiring.

2.13 Document all repairs and maintenance performed for the project. Repair expenses outlined in Section 6 Repairs and Maintenance Expenses. Owner shall have the right to inspect these records during normal business hours.

2.14 Assist Owner in the annual budget preparation process to include a list of all anticipated capital expenditures and operating budgets.

- 2.15 Provide Owner with monthly reports containing treatment performance data, completed work orders, budget expenses, inventory and project updates.
- 2.16 Cenla shall provide access to Project for Owner's personnel. Keys for the Project shall be provided to Owner by Cenla. All visitors to the Project shall comply with Cenla's operating and safety procedures.

3. Water Treatment and Distribution System

- 3.1 Within the design capacity and capability of the Water Treatment Plant listed in Appendix A, manage, operate, and maintain the Plant so that finished water discharged from the Project meets the requirements specified by the State of Louisiana and U.S. EPA for Public Water Systems and National Primary Water Treatment Regulations. Cenla shall be responsible for meeting potable water quality limitations established therein unless the raw water supply contains Toxic Materials.
- 3.2 Arrange all laboratory testing and sampling currently required by the State and Federal Safe Drinking Water Regulations. Additional laboratory testing and sampling requested by the Owner will be provided a fee per test basis, to be determined at the time of the request.
- 3.3 EOM shall operate, maintain, and repair the Owner's treated water distribution system, as described herein, in accordance with generally accepted industry standards, environmental regulations, and the Owner's construction standards in such a manner as to efficiently deliver treated water to the Owner's customers, with available equipment provided by Owner.
- 3.4 In the event cleaning or inspection discloses a requirement to excavate, Cenla shall exercise due diligence to make required repairs. If the line cannot be repaired using equipment assigned to the Project for Cenla's use and in accordance with OSHA requirements, Cenla will bypass the affected area (when possible) and notify the Owner of the situation. Owner will contact Cenla within one (1) hour and instruct Cenla to secure the services of a subcontractor to perform the necessary repairs or contract with a third party directly. If no contact is made within the specified time, Cenla is authorized to secure the services of a subcontractor. Owner shall be invoiced in accordance with the Section 6.
- 3.5 Cenla shall be entitled to receive additional compensation for service requests requiring alteration, modification, addition or deletion of any existing water distribution system components pursuant to Section 5. Scope Changes of this Agreement.
- 3.6 Perform repairs to water taps and water hydrants as requested by the Owner in accordance with Section 6.
- 3.7 In the course of performing work on the Owner's distribution system, Cenla shall be responsible for ensuring all related traffic control, including warning signs and proper maintenance of open cuts and excavation, and backfilling and compaction of such excavation are in accordance with the Owner's standards and specifications for construction and traffic control procedures. The Owner shall have the right to inspect and test any or all excavation, backfilling and compaction, and resurfacing operations to assure conformance with Owner's standards and specifications for such construction. All work will be invoiced in accordance to Section 6.

4. Water Meter Reading

- 4.1 Cenla will provide meter reading and meter repair. The scope of work will focus on replacement on an as-needed basis and customer satisfaction.
- 4.2 Read all water meters as required by the Owner's current schedule.
- 4.3 Perform all Owner-issued service orders consisting of service and delinquent connects and disconnects, rereads, accuracy and pressure tests, service leak repairs, and malfunction (still) meter replacements.

- 4.4 Provide computerized process control data on connects, disconnects, and replacement meters.
- 4.5 Make timely/priority response (within 1 hour) to calls from citizens relating to repairs or inquiries about the water system.
- 4.6 Services provided by Cenla shall include, but not be limited to, the above-listed tasks. Additional services may be requested by the Owner, in writing, and mutually agreed to by both parties.
- 4.7 Any new service connections requiring additional service lines or water mains to be installed will be done by the Owner or provided by Cenla to be billed per Section 8.3.
- 4.8 Cenla will perform the installation of water meters for new residential or commercial construction, using personnel assigned to the project. If additional personnel, materials and equipment are needed due to the size, complexity, technical nature or timing for completion those expenses shall be invoiced per Section 8.3.
- 4.9 Cenla will perform services for new meter installations under 2" and no more than 10 meters within three (3) working days after receipt of a work order calling for such installation, unless any delay beyond three (3) working days is due to unavailability of parts or circumstances outside of the control of Cenla which prevent installation, in which case, such work will be completed as soon as the parts are obtained.
- 4.10 Complete work orders for disconnections, reconnections, meter tests, and other general work orders for existing water services in a timely manner and in no event later than the third (3rd) working day after receipt of a work order, unless any delay beyond three (3) working days is due to unavailability of parts or circumstances outside of the control of Cenla which prevent the completion of such work, in which case such work will be completed as soon as the parts are obtained.

5. Scope Changes

- 5.1 A Change in Scope of services shall occur when and as Cenla's costs of providing services under this Service Agreement change as a result of:
 - 5.2 Any change in Project operations, personnel qualifications, required certifications, staffing or other cost which is a result of a Force Majeure event or Unforeseen Circumstances. Owner and Cenla shall negotiate such additional fees and such fees shall be due and payable by Owner commencing the month following the month in which the Change in Scope occurs.
 - 5.3 Increases or decreases in rates or other related charges (including taxes) imposed upon Cenla by a taxing authority - excluding taxes based on Cenla's net income. In such event, the Base Fee shall be increased (or decreased) by an amount equal to Cenla's additional (reduced) Cost associated with the change in rates or other related charges described above.
 - 5.4 Owner's request of Cenla, and Cenla's consent, to provide additional services and/or increase current services related to expansion and growth, such as service main extensions and new infrastructure installations. Owner and Cenla shall negotiate an increase in Cenla's Base Fee for these Changes in Scope.
 - 5.5 At any time, the Owner may request Cenla to provide support services for Owner's capital projects. In this case, Cenla shall propose a scope of services, schedule, and proposed price. Cenla shall not proceed with any such capital project services without express written authorization of the Owner.
 - 5.6 Perform other services that are incidental to the Scope of Services as directed by Owner. Cenla will perform such additional duties at direct cost plus twenty percent (20%), invoiced to Owner each month. Out-of-scope

services (parts, repairs, etc.) shall be billed, after receipt of services, within sixty (60) days from the end of the billing period.

6. Repairs Expenses

- 6.1 Repairs expenses and emergency services not included in the current scope of services, such as routine maintenance, shall be invoiced to Owner on a monthly basis at Cenla's Cost plus twenty percent (20%).
- 6.2 Repairs exceeding Two Thousand Five Hundred Dollars (2,500.00) will not be made without written consent of Owner.
- 6.3 In any emergency affecting the safety of persons or property, Cenla shall act without written amendment or change order, at Cenla's discretion, to prevent threatened damage, injury or loss; provided, however, that Cenla shall obtain prior Owner approval for any emergency expenditure in excess of Five Thousand Dollars (\$5,000.00). Cenla will notify Owner as soon as reasonably possible and shall be compensated by Owner for any such emergency work, notwithstanding the lack of written amendment or change order. Such compensation shall include Cenla's Direct Costs for the emergency work plus twenty percent (20%).
- 6.4 Repair expenditures shall not include the salary cost of Cenla's onsite personnel assigned to the project making such repair. However, due to the size, complexity, technical nature or timing for completion of such repairs, Cenla may subcontract or provide Cenla personnel outside of the project to make such repairs and charge such services to the repairs and maintenance budgets.

7. Owner's Responsibilities

- 7.1 The Owner shall pay for all capital repairs and maintenance expenditures, excluded from the scope of services, purchases of new equipment and major repairs that significantly extend equipment or facility service life.
- 7.2 Maintain and renew, with respect to all existing portions of the System, warranties, guarantees, easements, permits, authorizations and licenses that have been granted to the Owner, to the extent the maintenance thereof is not a responsibility of Cenla hereunder.
- 7.3 Pay all amounts associated with the occupancy or operation of the System and the performance of the Services, including, but not limited to, all property, franchise or other taxes associated with the project, except to the extent Cenla shall be obligated to pay such amounts in accordance with the express terms of this Service Agreement.
- 7.4 The Owner shall provide all licenses and insurance for Owner-supplied vehicles used in connection with the Project.
- 7.5 The Owner shall provide for Cenla's use of all vehicles and equipment currently at the Project, including the vehicles described in Appendix B.
- 7.6 Cenla will provide Owner with a list of Cenla employees who may operate Owner-owned vehicles, along with permission for the Owner to obtain driver's license information about such Cenla employees. The list is to indicate which specific Cenla employees are expected to drive the vehicles. Any Cenla employees rejected by the Owner or its insurance carrier (or self-insurance fund) will not be permitted to operate Owner-owned vehicles. Cenla employees will follow Owner's vehicle policy.
- 7.7 Owner understands the scope of services do not include fleet maintenance capital repairs or replacements. Routine maintenance and repairs for all vehicles and equipment, less than \$1,000.00 will be performed by Cenla or their third party maintenance and repair facility.

- 7.8 The Owner agrees to not offer employment or other compensation to Personnel of Cenla directly working on this project for a period of two (2) years after the end date of this Service Agreement or said employees' reassignment from this project without the mutual consent of Cenla and the Owner. This clause does not apply to transitioned employees employed by Owner prior to the Effective Date of this Agreement.
- 7.9 Owner will provide to Cenla all data in Owner's possession relating to the project. Cenla will reasonably rely upon the accuracy and completeness of the information provided by the Owner. Additional expenses related to inaccurate or incomplete information will be the responsibility of the Owner.
- 7.10 The Owner shall pay for all Capital Expenditures. Any loss, damage or injury resulting from Owner's failure to provide capital improvements and/or funds when reasonably requested by Cenla shall be the sole responsibility of Owner.
- 7.11 The Owner shall pay for all utilities required for operation of the Owner's facilities covered under this Service Agreement.
- 7.12 The Owner shall pay for all raw water, Safe Water Fees and chemical purchases.

8. Compensation

- 8.1 Owner shall pay to Cenla as compensation for services performed under this Service Agreement a Base Fee of Four Hundred Sixty-Two Thousand Two Hundred Forty Dollars (\$462,240.00) for the initial year of the contract term. Upon each year base fee negotiation, Cenla shall continue to invoice Owner at the previous amount until the new year price is agreed upon. Upon written agreement between the parties as to the new year base fee, Cenla shall issue an invoice retroactively adjusting the previous base fee amount.
- 8.2 Changes in the Base Fee shall be negotiated annually sixty days from the expiration of the current term. Base Fee adjustments shall be negotiated using labor, benefits, direct and indirect costs as the basis of adjustment for base fee. Owner and Cenla agree that good-faith negotiations resulting in mutual Agreement is the preferred methodology to be used to determine changes in the Base Fee. In the event that Owner and Cenla fail to agree, the Base Fee may be determined by the application of the Base Fee adjustment formula shown in Section 10. In the event that Owner & Cenla fail to agree on any single component listed above, the Base Fee adjustment formula shown in Section 10 may be utilized to effect the change.
- 8.3 Requests by Owner that are incidental to the Scope of Services including capital repair expenditures shall be invoiced to Owner on a monthly basis at Cenla's Cost plus twenty percent (20%).
- 8.4 In the event that a change in the scope of services provided by Cenla occurs, Owner and Cenla will negotiate a commensurate adjustment in Base Fee.
- 8.5 The services provided under this Agreement are based on reasonably expected overtime for normal breakdowns or services required after hours. Any additional expenses including straight or overtime wages caused by a Force Majeure event(s) or Unforeseen Circumstances will be billed to the Owner for reimbursement.
- 8.6 The Base Fee includes an annual fee of Twenty-Five Thousand Two Hundred Ten Dollars (\$25,210.00) for the length of the term identified in Section 11 for the installation of a remote monitoring system.

9. Payment of Compensation

- 9.1 One-twelfth (1/12) of the Base Fee for the current term shall be due and payable on the first of the month for each month that services are provided.

- 9.2 Cenla shall prepare invoices in accordance with the terms established in the specific Service Agreement and shall submit its invoices to Owner on a monthly basis.
- 9.3 All other compensation to Cenla is due on receipt of Cenla's invoice and payable within fifteen (15) days.
- 9.4 Owner shall pay interest at an annual rate equal to nine percent (9%), said amount of interest not to exceed any limitation provided by law, on payments not paid and received within fifteen (15) calendar days, such interest being calculated from the due date of the payment.

10. Base Fee Adjustment Formula

$$10.1 \text{ ABF} = \text{BF} \times \text{AF}$$

Where:

ABF = Adjusted Base Fee

BF = Base Fee specified in Section 8

AF = Adjustment Factor as determined by the formula:

$$AB = [(ECI).50] + [(CPI).50] + 1.02$$

- 10.2 ECI = The twelve-month percent change (from the second quarter of the prior year to the second quarter in the current year) in the Employment Cost Index for Total Compensation, Not Seasonally Adjusted, as published by U.S. Department of Labor, Bureau of Labor Statistics, in the Detailed Report Series ID: CIU101000000000(a)
- 10.3 CPI = The twelve-month percentage change (from the month of June of the prior year to the month of June of the current year) in the Consumer Price Index for All Urban Consumers, Not Seasonally Adjusted, as published by U.S. Department of Labor, Bureau of Labor Statistics, the CPI Detailed Report Series ID: CUUROOOSAO.

11. Term

- 11.1 The initial term of this Agreement shall be for seven (7) years commencing on August 1st, 2025.
- 11.2 Either party may terminate this Agreement for a material breach of this Agreement by the other party after giving written notice of the breach and allowing the other party thirty (30) days to correct the breach. Except breaches by Owner for non-payment of Cenla's Invoices, neither party shall terminate this Agreement without giving the other party ninety (90) day's written notice of intent to terminate.
- 11.3 Upon contract termination by either party, Owner shall pay Cenla for services completed up to the date of termination and the remaining balance of the remote monitoring system installation.

12. Insurance

- 12.1 Cenla shall provide the following insurances throughout the term of the Agreement, and shall provide to Owner Certificates of Insurance demonstrating compliance with this provision:
- 12.2 Statutory Worker's Compensation and Employer's Liability Insurance, as required by the State in which the project is performed and with a limit not less than One Million Dollars (\$1,000,000.00).
- 12.3 Comprehensive Automobile and Vehicle Liability Insurance with One Million Dollars (\$1,000,000.00) combined single limits, covering claims for injuries to members of the public and/or damages to property of others arising from the use of Cenla-owned or -leased motor vehicles, including onsite and offsite operations. The Pendleton Water Association, Incorporated shall be listed as additional insured.

- 12.4 Commercial General Liability Insurance with limits of Two Million Dollars (\$2,000,000.00) per occurrence and in the aggregate, covering claims for injuries to members of the public or damages to property of others arising out of any covered act or omission of Cenla or any of its employees or subcontractors.
- 12.5 Excess Liability Insurance of Two Million Dollars (\$2,000,000.00) above the limits stated above.
- 12.6 Owner will maintain the following insurances throughout the term of the Agreement, and shall provide Cenla with Certificates of Insurance to demonstrate compliance with this provision:
- 12.7 Property Damage Insurance for all property, including Owner-supplied vehicles and equipment, for the full fair market value of such property.
- 12.8 Liability Insurance for all motor vehicles and equipment provided by Owner and operated by Cenla under this Agreement.

13. Labor Disputes

- 13.1 In the event activities by Owner's employee groups or unions causes disruption in Cenla's ability to perform the Project, Owner, with Cenla's assistance, or Cenla, at its own option, may seek appropriate injunctive court orders during any such disruption. Cenla shall operate the facilities on a best efforts basis until any such disruptions cease, but Cenla cannot assure compliance with all contract conditions during such disruptions.

14. Force Majeure

- 14.1 Neither party shall be liable for damages, delays or failure to perform its obligations under this Agreement if performance is made impractical, abnormally difficult or abnormally costly, which is beyond the responsible control of the party relying thereon or as a result of any unforeseen occurrence as identified in Section 1. The party invoking this Force Majeure clause shall notify the other party immediately by verbal communication and in writing of the nature and extent of the contingency within ten (10) working days after its occurrence and shall take reasonable measures to mitigate any impact of Force Majeure.

15. Indemnity and Liability

- 15.1 Cenla hereby covenants and agrees, to the extent permitted by Louisiana law, to defend, indemnify and hold Owner harmless from and against any and all claims, demands, liabilities, fines, penalties, loss, damages (including without limitation economic loss, property damage or bodily injury, including death), costs and expenses, as well as Owner's attorney's fees and costs and expenses of litigation resulting from, arising out of, or related to Cenla's negligence or negligent performance or non-performance of services under this Agreement, whether or not such negligence or negligent performance or non-performance of services be by Cenla or by any subcontractor of Cenla. Cenla's indemnity obligations include payment of Owner's costs in obtaining any court order or ruling requiring Cenla to honor its indemnity and liability obligations set forth in this Agreement.
- 15.2 Owner hereby covenants and agrees, to the extent permitted by Louisiana law, to defend, indemnify and hold Cenla harmless from and against any and all claims, demands, liabilities, fines, penalties, loss, damages (including without limitation economic loss, property damage or bodily injury, including death), costs and expenses, as well as Cenla's attorney's fees and costs and expenses of litigation resulting from, arising out of, or related to Owner's negligence or negligent performance or non-performance of services under this Agreement, whether or not such negligence or negligent performance or non-performance of services be by Owner or by any other contractor retained by Owner (other than Cenla). Owner's indemnity obligations include payment of Cenla's costs in obtaining any court order or ruling requiring Owner to honor its indemnity and liability obligations set forth in this Agreement.

15.3 In no event shall either party, their contractors or subcontractors or their officers or employees, be liable for the other party's indirect or consequential damages, whether such liability arises in breach of contract or warranty, or tort, including negligence, strict or statutory liability, or any other theory of liability.

16. Liability, Fines and Civil Penalties

16.1 It is understood and agreed that, in seeking the services of Cenla under this Service Agreement Owner is requesting Cenla to undertake inherently unsafe obligations for Owner's benefit involving the presence or potential presence of hazardous substances. Therefore, Owner agrees to hold harmless, indemnify, and defend Cenla from and against any and all claims, losses, damages, liability, and costs, including, but not limited to, costs of defense arising out of or in any way connected with the presence, discharge, release or escape of contaminants of any kind, excepting only such liability as may arise out of Cenla's breach of this Service Agreement, or the negligence or willful misconduct of Cenla, its employees or its subcontractors in the performance of services under this Service Agreement.

16.2 Cenla's responsibility is to operate the facilities in compliance with current laws and regulations, to the extent of their design and physical capacity. It is not part of Cenla's scope to test for or eliminate waterborne bacteria or viruses except as required by current laws and regulations.

16.3 Cenla shall not be liable for those fines or civil penalties which may be imposed by a regulatory agency for violations during the first six (6) months of the initial term of this Agreement and after such time Cenla will only be liable for such violations that are a result of Cenla's negligent operation of the Project. Owner will assist Cenla to contest any such fines, and Cenla shall pay the costs of contesting any such fines.

17. No Third-Party Beneficiaries

17.1 This Agreement gives no rights or benefits to anyone other than Owner and Cenla and has no third-party beneficiaries.

18. Jurisdiction

18.1 This Agreement shall be governed by and interpreted in accordance with the laws of the State of Louisiana. In the event that any dispute or disagreement between the parties cannot otherwise be amicably resolved, the parties consent to jurisdiction and venue in the Superior Court of the project location.

19. Severability

19.1 If any of the provisions contained in this Agreement are held for any reason to be invalid, illegal or unenforceable, the enforceability of the remaining provisions shall not be impaired thereby.

20. Independent Contractor

20.1 It is hereby agreed and understood that Cenla is entering into this Agreement as an independent contractor and that all of Cenla's personnel engaged in work to be done under the terms of this Agreement are to be considered as employees of Cenla and under no circumstances shall they be construed or considered to be employees of Owner.

21. Entire Agreement

21.1 Should any provision of this contract or the execution thereof be declared or determined to be unlawful under any statute, ordinance, law, ruling or regulation, then, in such an event, Owner and Cenla may mutually agree to a modification of this contract as to make the same fully comply with all applicable laws.

21.2 This Agreement, together with all Appendices attached hereto, contains all representations and the entire understanding between the parties with respect to the subject matter of this Agreement. Any prior correspondence, memoranda or agreements, whether or not such correspondence, memoranda or

agreements are in conflict with this Agreement, are intended to be replaced in total by this Agreement and its Appendices. The parties mutually declare there are no oral understandings or promises not contained in the Agreement, which contains the complete, integrated, and final agreement between the parties.

22. Authority

22.1 Both parties represent and warrant to the other party that the execution, delivery, and performance of this Agreement has been duly authorized by the responsible parties thereof. Both parties warrant that all required approvals have been obtained and the executing party below has such authority to bind the party.

Both parties indicate their approval of this Agreement by their signatures below.

**EOM PUBLIC WORKS, LLC dba
Cenla Environmental Science**

Authorized Signature:

Name: Mark A. Heino
Title: V.P.
Date: 7/10/25

Witness: Charles Heino
Name: Charles Heino

Pendleton Water Association, Inc.

Authorized Signature:

Name: Charles Heino
Title: PRESIDENT
Date: July 10, 2025

Witness: Anthony Lester
Name: Anthony Lester
PWA Secretary

APPENDIX A

Project Facilities

A.1 Water Treatment Plant location

62 Queens Rd Many, LA 71449

A.2 Cenla will install a remote monitoring system at the plant capable of sending critical event alerts, data logging capabilities, remote parameter adjustment capabilities and reporting. Base Fee pricing and Cenla's ability to meet compliance requirements is contingent on approval by the State agency of remote monitoring as a qualified form of monitoring for permit compliance.

A.3 Generator preventive maintenance is to be performed by an authorized service provider per the manufacturer's recommendations and will be treated as an incidental service. Cenla will provide oversite for the preventive maintenance agreement.

A.4 The estimated cost for services under this specification is based on the type and quantity of facilities in existence on the date services are first provided under this Agreement. Any change in any of these characteristics exceeding 10% shall constitute a Change in Scope.

A.5 The Louisiana Department of Health recently issued a letter grade F to the Owner's community water system based on their review of the system's quality and performance during the 2024 calendar year. Cenla shall make the necessary operational improvements to ensure the grade assessed for the 2026 term meets a minimum D grade. Cenla shall further increase the grade to a C for the assessed 2027. Failure to meet these increases will result in a fine of \$6,000 per calendar year.



2024 Water Grade Details
PENDLETON WATER ASSOCIATION

Standard	Standard Maximum	Point Deductions	Detailed Assessment of Standards	System Deductions
Federal Water Quality	-30	5 each	Maximum contaminant level violations	4
		5 each	Treatment technique violations for Lead and Copper Rule	0
		10	Is the system non-compliant with an administrative order?	Yes
State Water Quality	-10	1 each	Chlorine violations	0
		10	Does the water system have an operator?	No
		5 each	Water outages and/or boil notices	0
Financial Sustainability	-10	5	Did the system submit an acceptable rate study or implement an adequate rate?	Yes
		5	Did the water system submit an acceptable audit?	Yes
		10	Is the system under a fiscal administrator for poor financial management practices?	No
		5	Are there other negative circumstances that affect fiscal control of the water system?	No
Operations & Maintenance	-15	3 each	Unresolved significant deficiencies	1
Infrastructure	-20	5 each	Unresolved significant deficiencies	1
Customer Satisfaction	-10	1 each	Valid water complaints reported	6
		10	Did the system submit a water complaint log?	Yes
Secondary Contaminants	-5	5	Manganese and/or Iron level(s) over the secondary maximum contaminant level(s)	No
Bonus	+10	5 each	Asset management plan, storage or well assessment & maintenance plan, participation in capacity development or management training	1
Total Deductions + Bonus				-49
				Score
				51 / 100 = 51%

APPENDIX B

Project Equipment

B.1 The Project includes all vehicles and equipment as follows:

Description	VIN/Serial No.
2025 Chevrolet Silverado 1500 Custom T251511	1GCPKBEK7SZ277810

B.2 Cenla shall ensure all vehicles and equipment are properly maintained and all preventative and corrective repairs are documented. Maintenance and use of vehicles will be consistent with the Pendleton Water Association Vehicle Policy.