

**SERVICE AGREEMENT NO. \_\_\_\_\_**  
**CONTRACT FOR PROFESSIONAL SERVICES**

**FOR PROJECT E15117 Desalination Plant**

The City of Corpus Christi, a Texas home rule municipal corporation, P.O. Box 9277, Corpus Christi, Nueces County, Texas 78469-9277 (City) acting through its duly authorized City Manager or Designee (Director) and AEP Texas Inc. a Delaware corporation (AEP Texas) acting through its duly authorized representative Robert Black, hereby agree as follows:

1. City and AEP Texas agree that the services provided are properly described in the Scope of Services, which is incorporated herein and attached to this Agreement as **Exhibit A**. The approved Scope of Services defines the services to be performed by AEP Texas under this Agreement.
2. The Compensation for all services included in this Agreement and in the Scope of Services for this Agreement shall not exceed **\$100,000.00**.
3. This Agreement shall be effective upon the signature of the City Manager or designee (Effective Date).
4. The term of this Agreement will be for a period of one year beginning on the effective date, unless extended by authority of the City Manager or designee.
5. AEP agrees to secure an access agreement with the property owner of any property that AEP must enter in order to complete its scope of work.
6. AEP agrees to compensate City for any damage done to City property as a result of the AEP's activities under this Agreement. AEP shall not disturb City's street pavement, water, wastewater, gas and storm water facilities without the approval of the City's Director of Engineering Services.
7. Claims arising from the circumstances identified in this Agreement or other occurrences or events, shall be made by Written Notice delivered by the party making the Claim to the other party within 21 calendar days after the start of the occurrence or event giving rise to the Claim and stating the general nature of the Claim. The responsibility to substantiate a claim rests with the party making the Claim. All negotiations pursuant to this clause are confidential and shall be treated as compromise and settlement negotiations for purposes of applicable rules of evidence.
8. In case of litigation between the parties, AEP Texas and City agree that neither party shall be responsible for payment of attorney's fees pursuant to any law or other provision for payment of attorneys' fees. Both Parties expressly waive any claim to attorney's fees should litigation result from any dispute between the parties to this Agreement.
9. In case of litigation between the parties, AEP Texas and City agree that they have knowingly waived and do hereby waive the right to trial by jury and have instead agreed, in the event of any litigation arising out of or connected to this Agreement, to proceed with a trial before the court, unless both parties subsequently agree otherwise in writing.
10. **No Waiver of Governmental Immunity. This Agreement is to perform a governmental function solely for the public benefit. Nothing in this Agreement shall be construed to**

**waive City's governmental immunity from lawsuit, which immunity is expressly retained to the extent it is not clearly and unambiguously waived by state law.**

11. Public Information. The requirements of Subchapter J, Chapter 552, Government Code, may apply to this contract and AEP Texas agrees that the contract can be terminated if AEP Texas knowingly or intentionally fails to comply with a requirement of that subchapter.
12. Independent Contractor. The relationship between the City and AEP Texas under this Agreement shall be that of independent contractor.
13. No Third Party Beneficiaries. Nothing in this Agreement can be construed to create rights in any entity other than the City and AEP Texas. Neither the City nor AEP Texas intends to create third party beneficiaries by entering into this Agreement.
14. Disclosure of Interest. AEP Texas agrees to comply with City of Corpus Christi Ordinance No. 17112 and complete the *Disclosure of Interests* form.
15. Conflict of Interest. AEP Texas agrees, in compliance with Chapter 176 of the Texas Local Government Code, to complete and file Form CIQ with the City Secretary's Office. For more information and to determine if you need to file a Form CIQ, please review the information on the City Secretary's website at <http://www.cctexas.com/government/city-secretary/conflict-disclosure/index>.
16. Title VI Assurance. AEP Texas shall prohibit discrimination in employment based upon race, color, religion, national origin, gender, disability or age.
17. Controlling Law. This Agreement is governed by the laws of the State of Texas without regard to its conflicts of laws. Venue for legal proceedings lies exclusively in Nueces County, Texas. Cases must be filed and tried in Nueces County and cannot be removed from Nueces County.
18. All funding obligations of the City under this Agreement are subject to the appropriation of funds in its annual budget.

[Signature Page Follows]





An AEP Company

BOUNDLESS ENERGY™

**EXHIBIT A**  
**Scope of Services**

September 12, 2021

City of Corpus Christi  
1201 Leopard St  
Corpus Christi, TX 78401

**Re: Preliminary Engineering and Regulatory Work associated with Interconnection of the City of Corpus Christi Desalination Plant (Nueces County, TX) to ERCOT Electric Transmission Grid**

Dear Sir:

This letter agreement ("Preliminary Agreement") sets forth the terms and conditions under which AEP Texas Inc., a Delaware corporation ("AEP Texas") will proceed with the preliminary engineering and design and regulatory work described in the attached Exhibit 1 (the "Preliminary Work") in connection with providing transmission voltage service from the ERCOT grid to the City of Corpus Christi Desalination Plant ("Customer") proposed facility to be located in Nueces County, Texas (the "Project").

The interconnection of the Project to the ERCOT grid will require the construction of new 138 kV transmission lines and a newly constructed 138 kV substation by AEP Texas. AEP Texas and Customer recognize that substantial additional detailed engineering and construction work beyond the scope of this Preliminary Agreement will need to be performed by AEP Texas in order to interconnect the Project to the ERCOT grid; and AEP Texas and Customer will continue to use diligent good faith efforts to negotiate the terms of a comprehensive agreement ("Comprehensive Agreement") for the performance of that additional work.

However, to facilitate Customer's work schedule for the Project, AEP Texas has agreed to perform agreed critical path preliminary engineering and regulatory work pursuant to the terms of this Preliminary Agreement pending completion of such a Comprehensive Agreement. This proposal to perform the Preliminary Work will expire on June 1, 2022, if Customer has not agreed to its terms by properly executing and returning a copy of this Preliminary Agreement (and delivering payment of the first installment of the estimated cost of performing the Preliminary Work) to AEP Texas before that date.

AEP Texas has agreed to commence the Preliminary Work upon Customer's execution and delivery of this Preliminary Agreement and payment of the first installment of the estimated cost of performing that work to AEP Texas.

Customer agrees to compensate AEP Texas for all costs that AEP Texas actually incurs in performing the Preliminary Work determined in accordance with AEP Texas's standard accounting practices, and based on updated estimates to be provided by AEP Texas from time to time. Customer will initially compensate AEP Texas for the Preliminary Work in accordance with AEP Texas's cost estimate as shown in Exhibit 1, which Customer acknowledges is reasonable. However, Exhibit 1 reflects only estimates of the scope and cost of performing the Preliminary Work as of the date hereof. Customer understands and agrees that the actual scope and cost of performing the Preliminary Work may deviate from that shown in Exhibit 1 and that AEP Texas shall keep Customer apprised, as far in advance as reasonably possible, of any expected increases to the estimated cost and shall seek Customer's agreement before exceeding such estimate.

AEP Texas will also use commercially reasonable efforts to meet the agreed delivery schedule in Exhibit 1 and shall provide monthly updates to Customer describing the progress of the Preliminary Work, the reasons for any anticipated delay and mitigation measures undertaken by it to maintain the agreed delivery schedule. Upon completion of the Preliminary Work and determination of the final costs that AEP Texas has actually incurred in performing the Preliminary Work, the appropriate adjustments (if required) shall be made to true-up the payments made to AEP Texas with AEP Texas's actual and documented costs incurred in accordance with this Preliminary Agreement.

Customer may cancel this Preliminary Agreement at any time upon written notice to AEP Texas. However, if Customer cancels this Preliminary Agreement, Customer shall pay AEP Texas for all actual and documented costs that it has incurred up to the effective date of the cancellation (including costs that it has committed to expend, that cannot be cancelled and tax gross up amounts) related to the Preliminary Work through the date this Preliminary Agreement is canceled. In such event, the unused portion of the prepayment shall be refunded within 60 days of the final determination of such actual costs.

Customer agrees to meet with AEP Texas and provide such information and assistance (at no cost to AEP Texas) as AEP Texas may request in connection with the performance of the Preliminary Work. Any information that is provided by Customer that is marked "Proprietary" or "Confidential" shall not be released by AEP Texas to third parties (other than as legally required by the regulatory process applicable to the Preliminary Work) without the prior consent of Customer.

**AEP TEXAS MAKES NO WARRANTIES WITH RESPECT TO THE PRELIMINARY WORK AND AEP TEXAS HEREBY DISCLAIMS ANY AND ALL WARRANTIES, EXPRESS OR IMPLIED, CONCERNING THE PRELIMINARY WORK, INCLUDING WITHOUT LIMITATION THE MERCHANTABILITY OR FITNESS OF THE PRELIMINARY WORK FOR ANY PARTICULAR PURPOSE.**

**NEITHER PARTY (AND THEIR OFFICERS, EMPLOYEES AND CONTRACTORS) SHALL BE LIABLE TO THE OTHER PARTY FOR ANY INDIRECT OR**

**CONSEQUENTIAL DAMAGES, INCLUDING WITHOUT LIMITATION LOSS OF PROFITS, LOSS OF REVENUE, OR LOSS OF PRODUCTION CAPACITY RESULTING FROM THE PERFORMANCE OR FAILURE TO PERFORM THE PRELIMINARY WORK OR FROM ANY OTHER BREACH OF THIS PRELIMINARY AGREEMENT.**

**SHOULD AEP TEXAS FAIL TO PERFORM ANY OF ITS OBLIGATIONS UNDER THIS PRELIMINARY AGREEMENT, CUSTOMER MAY WITHHOLD FURTHER PAYMENT OF ANY AMOUNTS DUE HEREUNDER UNTIL SUCH BREACH HAS BEEN REMEDIED.**

This Preliminary Agreement was executed in the State of Texas and must in all respects be governed by, interpreted, construed, and enforced in accordance with the laws thereof. This Agreement is subject to, and the Parties' obligations hereunder include, operating in full compliance with all valid, applicable federal, state, and local laws or ordinances, and all applicable rules, regulations, orders of, and tariffs approved by, duly constituted regulatory authorities having jurisdiction.


Sincerely,

Heath VanZandt  
Customer Account Manager Sr.

cc: Matt Gerick - AEP

Agreed and accepted:

AEP Texas Inc.

By:  DocuSigned by:  
91CDB09F52AF44A...  
Name: Robert Black  
Title: VP External Affairs  
Date: 10/12/2021 | 7:24 PM EDT

Agreed and accepted:

City of Corpus Christi

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

# EXHIBIT 1

## City of Corpus Christi / AEP Texas Preliminary Agreement

### Scope and Cost Estimate for Preliminary Work

1. Scope of Preliminary Work

- Preliminary engineering (15% design) of 138 kV infrastructure necessary to provide electric service to the Project.
- Evaluation of 138 kV transmission line(s) right-of-way requirements and development of environmental/routing assessment(s) associated with each 138 kV transmission line. This is inclusive of all necessary agency contacts/meetings, field work, public interface, and documentation that is required.
- Preliminary engineering and discussions with Customer concerning the physical arrangement of the required 138 kV electrical substation at the site.
- Presentation to Customer a “Comprehensive Agreement” containing cost estimates for the transmission improvements and the cost obligations of Customer for the required electrical infrastructure to provide electric service for the Customer operation.

2. Cost Estimate for Preliminary Work – Class 4 (+50%, -30%)

\$100,000.00

**Payment Schedule:**

\$100,000.00

Payment to be made upon execution of Preliminary Engineering Agreement

3. Delivery Schedule

4 – 6 months



## EXHIBIT C

### Insurance Requirements

#### Pre-Design, Design and General Consulting Contracts

1.1 AEP Texas must not commence work under this agreement until all required insurance has been obtained and such insurance has been approved by the City. AEP Texas must not allow any subcontractor to commence work until all similar insurance required of any subcontractor has been obtained.

1.2 AEP Texas must furnish to the Director of Contracts and Procurement with the signed agreement a copy of Certificates of Insurance (COI) with applicable policy endorsements showing the following minimum coverage by an insurance company(s) acceptable to the City's Risk Manager. **A waiver of subrogation is required on all applicable policies. Endorsements must be provided with COI. Project name and or number must be listed in Description Box of COI.**

TYPE OF INSURANCE	MINIMUM INSURANCE COVERAGE
30-written day notice of cancellation, required on all certificates or by applicable policy endorsements	Bodily Injury and Property Damage Per occurrence - aggregate
PROFESSIONAL LIABILITY (Errors and Omissions)	\$1,000,000 Per Claim  If claims made policy, retro date must be prior to inception of agreement, have extended reporting period provisions and identify any limitations regarding who is insured.

1.3 In the event of accidents of any kind related to this agreement, AEP Texas must furnish the City with copies of all reports of any accidents within 10 days of the accident.

1.4 AEP Texas shall obtain and maintain in full force and effect for the duration of this Contract, and any extension hereof, at AEP Texas's sole expense, insurance coverage written on an occurrence basis, by companies authorized and admitted to do business in the State of Texas and with an A.M. Best's rating of no less than A- VII. **AEP Texas is required to provide City with renewal Certificates.**

1.5 In the event of a change in insurance coverage, AEP Texas shall be required to submit a copy of the replacement certificate of insurance to City at the address provided below within 10 business days of said change. AEP Texas shall pay any costs resulting from said changes. All notices under this Article shall be given to City at the following address:

City of Corpus Christi  
Attn: Contracts and Procurement  
P.O. Box 9277  
Corpus Christi, TX 78469-9277

**1.6 AEP Texas agrees that with respect to the above required insurance, all insurance policies are to contain or be endorsed to contain the following required provisions:**

1.6.1 If the policy is cancelled, other than for nonpayment of premium, notice of such cancellation will be provided at least 30 days in advance of the cancellation effective date to the certificate holder.

1.6.2 If the policy is cancelled for nonpayment of premium, notice of such cancellation will be provided within 10 days of the cancellation effective date to the certificate holder.

1.7 Within five (5) calendar days of a suspension, cancellation or non-renewal of coverage, AEP Texas shall notify City of such lapse in coverage and provide a replacement Certificate of Insurance and applicable endorsements to City. City shall have the option to suspend AEP Texas's performance should there be a lapse in coverage at any time during this contract. Failure to provide and to maintain the required insurance shall constitute a material breach of this contract.

1.8 In addition to any other remedies the City may have upon AEP Texas's failure to provide and maintain any insurance or policy endorsements to the extent and within the time herein required, the City shall have the right to withhold any payment(s) if any, which become due to AEP Texas hereunder until AEP Texas demonstrates compliance with the requirements hereof.

1.9 Nothing herein contained shall be construed as limiting in any way the extent to which AEP Texas may be held responsible for payments of damages to persons or property resulting from AEP Texas's or its subcontractor's performance of the work covered under this agreement.

1.10 It is agreed that AEP Texas's insurance shall be deemed primary and non-contributory with respect to any insurance or self-insurance carried by the City of Corpus Christi for liability arising out of operations under this agreement.

1.11 It is understood and agreed that the insurance required is in addition to and separate from any other obligation contained in this agreement.



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

06/23/2021

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> McGriff Insurance Services, Inc. P.O. Box 10265 Birmingham, AL 35202	<b>CONTACT NAME:</b> PHONE (A/C, No, Ext): 800-476-2211		<b>FAX (A/C, No):</b>
	<b>E-MAIL ADDRESS:</b>		
<b>INSURED</b> American Electric Power Company, Inc. and all Subsidiaries 1 Riverside Plaza Columbus, OH 43215	<b>INSURER(S) AFFORDING COVERAGE</b>		<b>NAIC #</b>
	<b>INSURER A :</b> Old Republic Insurance Company		24147
	<b>INSURER B :</b> Energy Insurance Services, Inc.		
	<b>INSURER C :</b>		
	<b>INSURER D :</b>		
	<b>INSURER E :</b>		

**COVERAGES**                      **CERTIFICATE NUMBER:** GWLTPWPB                      **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input checked="" type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:			MWZZ 316379	07/01/2021	07/01/2024	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 \$
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY			MWTB 316377	07/01/2021	07/01/2024	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
B	<input type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> OCCUR <input checked="" type="checkbox"/> EXCESS LIAB <input checked="" type="checkbox"/> CLAIMS-MADE DED    RETENTION \$			P003-210454	07/01/2021	07/01/2022	EACH OCCURRENCE \$ 4,000,000 AGGREGATE \$ 4,000,000 \$ PER STATUTE    OTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input type="checkbox"/> Y/N If yes, describe under DESCRIPTION OF OPERATIONS below		N/A	P003-210431	04/01/2021	04/01/2022	Each Occurrence \$ 1,000,000 Aggregate \$ 1,000,000 \$ \$ \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

**ADDITIONAL INSURED:** Additional Insured is any person or organization for whom the Named Insured has specifically agreed by written contract to provide Additional Insured status, subject to policy terms, conditions and exclusions, provided that: A) This insurance applies only to each coverage which the Named Insured has agreed to provide by contract, but in no event shall the coverage exceed the coverage otherwise afforded by the policy; B) The amount of insurance is limited to that required by such written contract, but in no event shall the limits of liability exceed the limits of liability provided by the policy; C) The insurance applies only with respect to liability arising out of the operations, activities or business conducted by or on behalf of the Named Insured.

**WAIVER OF SUBROGATION:** A Waiver of Subrogation is provided if required in a written contract with the Named Insured.

**CONTRACTUAL LIABILITY:** Contractual Liability is included under the commercial General Liability policy.


**CERTIFICATE HOLDER**

American Electric Power Company  
Evidence of Casualty Insurance

**CANCELLATION**

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE



**CONFLICT OF INTEREST QUESTIONNAIRE**  
For vendor doing business with local governmental entity

**FORM CIQ**

This questionnaire reflects changes made to the law by H.B. 23, 84th Leg., Regular Session.

This questionnaire is being filed in accordance with Chapter 176, Local Government Code, by a vendor who has a business relationship as defined by Section 176.001(1-a) with a local governmental entity and the vendor meets requirements under Section 176.006(a).

By law this questionnaire must be filed with the records administrator of the local governmental entity not later than the 7th business day after the date the vendor becomes aware of facts that require the statement to be filed. See Section 176.006(a-1), Local Government Code.

A vendor commits an offense if the vendor knowingly violates Section 176.006, Local Government Code. An offense under this section is a misdemeanor.

**OFFICE USE ONLY**

Date Received

1 Name of vendor who has a business relationship with local governmental entity.

AEP TEXAS

2  Check this box if you are filing an update to a previously filed questionnaire. (The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than the 7th business day after the date on which you became aware that the originally filed questionnaire was incomplete or inaccurate.)

3 Name of local government officer about whom the information is being disclosed.

N/A

Name of Officer

4 Describe each employment or other business relationship with the local government officer, or a family member of the officer, as described by Section 176.003(a)(2)(A). Also describe any family relationship with the local government officer. Complete subparts A and B for each employment or business relationship described. Attach additional pages to this Form CIQ as necessary.

A. Is the local government officer or a family member of the officer receiving or likely to receive taxable income, other than investment income, from the vendor?

Yes

No

B. Is the vendor receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer or a family member of the officer AND the taxable income is not received from the local governmental entity?

Yes

No

5 Describe each employment or business relationship that the vendor named in Section 1 maintains with a corporation or other business entity with respect to which the local government officer serves as an officer or director, or holds an ownership interest of one percent or more.

N/A

6  Check this box if the vendor has given the local government officer or a family member of the officer one or more gifts as described in Section 176.003(a)(2)(B), excluding gifts described in Section 176.003(a-1).

7 DocuSigned by:  
Robert Black

Signature of vendor doing business with the governmental entity

10/12/2021 | 7:24 PM EDT

Date