



Rural Lorain County Water Authority

42401 State Route 303, P.O. Box 567
Lagrange, Ohio 44050
800/842-1339 440/355-5121 Fax 440/355-6628
<http://www.rlcwa.com/>

**Quality
On Tap!**
Our Commitment  Our Profession

November 2, 2004

Mike Keegan
National Rural Water Association
101 Constitution Ave., NW, Suite 900
Washington, DC 20001

Re: 1926(b)

Dear Mr. Keegan:

You will find enclosed a copy of the contract we have with the Village of LaGrange, Ohio. You can use it as you want.

This is a brief synopsis of our experience with this village. The village has a population of approximately 1500 people. Due to its proximity to Interstate 480, it is growing by leaps and bounds. It annexed a large farm in 1997. Rural Lorain County Water Authority (RLCWA) served the farm with water at the house and barn. We had a water distribution line and a water transmission line on private easement on the farm. When the village annexed the property, they intended to serve it with water. We met several times with village officials and their legal counsel.

The developer planned a golf course community with 287 individual living units. Most are single family residences. Some are duplexes and some are condominiums. The golf course is finished. Approximately fifty of the homes are built. It is a first class community and RLCWA receives revenue from the development in accordance with the enclosed contract. We have used this contract as a basis for other communities in the area.

Mike, I look forward to helping NRWA any way that I can. Please let me know what you want done.

Sincerely,

Tim Mahoney

c: Kevin Strang, ORWA Executive Director

enclosures

WATER PURCHASE AGREEMENT

This Contract for the sale and purchase of water is entered into as of the 1st day of October, 2002, between the Rural Lorain County Water Authority ("RLCWA"), 42401 Route 303, LaGrange, Ohio 44050, hereinafter referred to as the "Seller" and the Village of [REDACTED] ("Village"), [REDACTED] Ohio, hereinafter referred to as the "Purchaser".

WITNESSETH

WHEREAS, the Purchaser is a municipal corporation duly organized and validly existing pursuant to the Constitution and Laws of the State of Ohio and is the owner and operator of a water distribution system within the municipal corporation limits; and

WHEREAS, the Seller is a regional water district duly organized and validly existing pursuant to the Laws of the State of Ohio, particularly Chapter 6119 of the Ohio Revised Code, and is the owner and operator of a water supply and distribution system; and

WHEREAS, the Seller contends it is a protected rural water association subject to 7 U.S.C. § 1926(b) and desires to provide water service in the geographical area in which it provides or makes available water service without curtailment or limitation and without net loss of revenue; and

WHEREAS, the Purchaser desires a long term water contract providing for additional water supplies beyond that provided in the August 13, 1997 Water Purchase Agreement between the parties and further desires a certain and stable water supply for the benefit of its residents within its current municipal boundaries and in areas it may annex in the future; and

October 1, 2005 through October 1, 2006 225,000 gallons/day 450,000 gallons/day
October 1, 2006 through October 1, 2007 250,000 gallons/day 500,000 gallons/day

For usage after October 1, 2007, minimum usage shall be established by the Parties every five (5) years for five (5) year periods. Maximum usage shall be equal to two times minimum usage. In the event the Purchaser uses more than the specified maximum, the Purchaser shall pay the applicable volumetric rates as provided herein plus 100% for any gallons in excess of the specific maximum.

Both minimum and excess usage shall be averaged based on the number of days in a calendar quarter.

(2) **Point of Delivery and Pressure:** Water will be furnished at a reasonably constant pressure calculated at 40 PSI from an existing 16 inch water line at a point at the junction of State Route [REDACTED] and [REDACTED] Road, which shall be the initial point of delivery. The parties may mutually agree to different or additional point(s) of delivery. If a greater pressure than that normally available at the point of delivery is requested by the Purchaser, the cost of providing such greater pressure shall be borne by the Purchaser. Emergency failures of pressure or supply due to main supply line breaks, loss of source of water, power failure, flood, fire and use of water to fight fire, earthquakes or other catastrophe shall excuse the Seller from this provision for such reasonable period of time as may be necessary to restore service. In the event the Seller cannot provide water in an amount sufficient to meet the demands of its water users due to a water shortage or other emergency condition, the Seller may reduce the quantity to the Purchaser by the same ratio that it reduces the quantity to all of its water users.

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apply to areas annexed by Purchaser after August 13, 1997 and only to those properties constructed after the effective date of this Water Purchase Agreement.

In further consideration for the Seller furnishing water to the Purchaser and to compensate Seller for the capital costs incurred in providing service, the Purchaser shall pay to the Seller 62.5% of the dollar amount of each tap-in fee. The Purchaser may retain 37.5% of the dollar amount of each tap-in fee for each tap-in to compensate Purchaser for the costs of the tap-in and the capital costs incurred by Purchaser in providing service. The applicable tap-in fee shall be paid by the customer prior to receipt of water service. Purchaser shall pay Seller its respective share of the tap-in charge within fourteen (14) days of receipt by Purchaser.

(6) **Metering Equipment:** The Purchaser agrees to furnish and install at Purchaser's expense a master meter including the meter house or pit. The meter shall be a standard type acceptable to Seller. A meter registering not more than two percent (2%) above or below the test result shall be deemed to be accurate. The previous readings of any meter disclosed by test to be inaccurate shall be corrected for the next three (3) months previous to such test in accordance with the percentage of inaccuracy found by such tests. If any meter fails to register for any period, the amount of water furnished during such period shall be deemed to be the amount of water delivered in the corresponding period immediately prior to the failure, unless Seller and Purchaser shall agree upon a different amount. The metering equipment shall be read on the last business day of each month. An appropriate official of the Purchaser at all reasonable times shall have access to the meter for the purposes of verifying its readings. Said master meter shall be located at the point of delivery. The Seller will

own said master meter and be responsible for its maintenance and calibration. Purchaser may request calibration as often as Purchaser wishes to have said calibration performed. If the meter tests accurate within two percent (2%), then the Purchaser shall pay the cost of testing, otherwise, the Seller shall pay the cost of testing.

(7) **Rules and Regulations**: The Purchaser agrees to abide by all rules and regulations of RLCWA now in effect or hereafter adopted, especially such as pertains to late charges or interest on Purchaser's delinquent account.

(8) **Service Areas**: The Purchaser's water service area shall be the geographical area within the Village's municipal boundaries as may be changed from time to time through annexation, merger or incorporation. The Seller's service area includes those geographical areas outside the Village's municipal boundaries as may be changed from time to time through annexation, merger or incorporation. During the term of this Water Purchase Agreement, and unless otherwise mutually agreed, the Purchaser shall not supply water to customers within the Seller's defined service area and the Seller shall not supply water to customers within the Village's defined service area. The water supplied pursuant to this Water Purchase Agreement is furnished for the benefit of the Purchaser's residents only and shall not be sold, transferred or conveyed to any other third party.

(9) **Annexation/Merger/Incorporation**: Should the Purchaser, by annexation, merger or incorporation, extend its municipal corporate boundaries to areas beyond the Purchaser's present corporate boundaries, Seller shall retain jurisdiction, ownership and control over all water facilities constructed, owned or maintained by Seller in the annexed,

merged or incorporated area, unless otherwise mutually agreed by the parties. Further, customers who have connected to Seller's system shall remain customers of the Seller, notwithstanding the annexation, merger or incorporation, unless otherwise mutually agreed by the parties.

(10) **Maintenance**: Seller shall be responsible for maintenance of its water facilities to the point of delivery. Purchaser shall be responsible for maintenance of water facilities from the point of delivery except that Seller will be responsible for maintenance of the master meter as provided above. All water facilities shall be constructed, maintained and operated in accordance with the minimum requirements of the Ohio Environmental Protection Agency or other state or local agency with jurisdiction.

(11) **Term of Contract**: The Parties agreed that this contract shall extend for a term of forty (40) years from its effective date and, thereafter, may be renewed or extended for such term, or terms, as may be agreed upon by the Seller and Purchaser. Should this Water Purchase Agreement be terminated for any reason prior to the end of its term, ownership, possession and control of the water facilities constructed in any area annexed by Purchaser after August 13, 1997 shall revert to Seller.

(12) **Supply of Safe Water**: Seller shall be responsible for the supply of safe drinking water to the point where such water enters the Village system at the master meter. Purchaser shall be responsible for the supply of safe drinking water thereafter.

(13) **Fire Protection**: The Purchaser acknowledges that the Seller does not assume any responsibility for fire protection, other than the delivery of water pursuant to the terms of this Water Purchase Agreement.

(14) **Regulatory Agencies:** This Water Purchase Agreement is subject to such rules, regulations or laws of federal or state agencies as may now be or shall in the future be applicable to this Agreement and the parties hereto will cooperate in obtaining such permits, certificates or other compliance as may be required. The Purchaser shall maintain a back flow prevention and cross connection control program which meets any applicable Ohio EPA and/or Ohio Administrative Code Requirements. The Seller shall further provide the Purchaser with copies of all drinking water contaminate compliance results as may be required. Any water shortage requirements by local, state or federal law or regulations for the Village of [REDACTED] shall be the sole responsibility of the Purchaser.

(15) **Successors to the Seller and Purchaser:** In the event of any occurrence rendering the Seller or Purchaser incapable of performing under this contract, any successor of the Seller or Purchaser, whether the result of legal process, assignment, or otherwise, shall succeed to the rights and obligations of the Seller or Purchaser hereunder.

(16) **Prior Agreement:** This Water Purchase Agreement supercedes the prior Agreement of the Parties dated the 13th day of August, 1997 and is the sole Agreement between the Parties regarding the sale and purchaser of water at the point of delivery as herein defined.

(17) **Effective Date:** The effective date of this Agreement shall be October 1, 2002.

IN WITNESS WHEREOF, the Parties hereto, acting under authority of their respective governing bodies, have caused this contract to be duly executed in three (3) counterparts, each of which shall constitute an original.

SELLER:

**RURAL LORAIN COUNTY
WATER AUTHORITY**

By: George Guene
Title: President

Attest:

Albert Busch
Secretary

Approved as to form:

[Signature]
Counsel for RLCWA

PURCHASER:

VILLAGE OF [REDACTED]

By: [Signature]
Title: Mayor

Attest:

Rita K. [REDACTED]
Clerk

Approved as to form:

[Signature]
Counsel for the Village of [REDACTED]

EXHIBIT A**TAP FEE & MINIMUM BILLINGS**

<u>SIZE</u>	<u>COST</u>	<u>MINIMUM BILL</u>	<u>INCLUDED GALLONS</u>
3/4"	\$2,000.00	\$15.50	2,000
1"	\$3,200.00	\$29.75	5,000
1-1/2"	\$5,006.00	\$48.50	10,000
2"	\$6,150.00	\$65.00	16,000
3"	\$18,000.00	\$117.25	35,000
4"	\$26,062.00	\$192.25	65,000
6"	\$32,344.00	\$383.50	150,000

First 2,000 gallons	\$15.50
Next 3,000 gallons	\$ 4.75 per 1,000 gallons
Next 5,000 gallons	\$ 3.75 per 1,000 gallons
Next 40,000 gallons	\$ 2.75 per 1,000 gallons
Next 50,000 gallons	\$ 2.25 per 1,000 gallons

FISCAL OFFICER'S CERTIFICATE

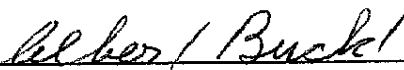
I, Rita K. [REDACTED], Clerk-Treasurer of the Village of [REDACTED], Ohio, as the chief fiscal officer of the Village hereby certify that the amount required to meet the financial obligation of [REDACTED] set forth in the attached contract with the Rural Lorain County Water Authority during the current fiscal year has been lawfully appropriated for such purpose and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances.

Rita K. [REDACTED]

Rita K. [REDACTED] Clerk-Treasurer
Village of [REDACTED], Ohio

Fiscal Officer's Certificate

I, Albert Buck, Jr., Secretary-Treasurer of the Rural Lorain County Water Authority, as the chief fiscal officer of the Authority hereby certify that the amount required to meet the financial obligation of Rural Lorain County Water Authority set fourth in the attached contract with the Village of [REDACTED] during the current fiscal year has been lawfully appropriated for such purpose and is in the treasury or in the process of collection to the credit of an appropriate fund .



Albert Buck, Jr.,
Secretary-Treasurer
Rural Lorain County Water Authority