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UNIFORM WATER PURCHASE AND SUPPLY AGREEMENT

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UNIFORM WATER PURCHASE AND SUPPLY AGREEMENT

This **Uniform Water Purchase and Supply Agreement** ("Uniform Water Agreement" or "Agreement") effective this ___ day of _____, 2019 ("Effective Date") is entered by the City of Toledo ("Toledo"), an Ohio municipal corporation and political subdivision duly organized and existing under its Charter and the laws of the State of Ohio and *name of contracting Jurisdiction* ("Contracting Jurisdiction"), a [municipal corporation/regional water and sewer district] and political subdivision duly organized and existing under [its Charter and] the laws of the State of Ohio. _____:

WHEREAS, Toledo owns and operates a water supply and distribution system (the "Toledo Water System") pursuant to the Ohio Constitution and laws of the State of Ohio, its City Charter and the Toledo Municipal Code; and

WHEREAS, under its Charter and Article XVIII, Section 6 of the Ohio Constitution, Toledo is authorized to sell and deliver its surplus water to others outside its corporate limits; and

WHEREAS, Toledo and the Contracting Jurisdiction and other Contracting Jurisdictions have been involved in extensive discussions to ensure that safe and abundant water may be provided efficiently throughout the region for their mutual benefit on terms that are consistent and fair to all; and

WHEREAS, Toledo has offered to supply surplus water to the Contracting Jurisdiction and other Contracting Jurisdictions upon equitable and uniform terms; and

WHEREAS, as result of its discussions with Contracting Jurisdictions and with the approval of its voters at an election on November 6, 2018, Toledo created a Regional Water Commission by enactment of Chapter XV of the Charter of the City of Toledo ("Chapter XV"), a copy of which is attached hereto as Exhibit A; and

WHEREAS, under Chapter XV, the Regional Water Commission is to be composed of (i) Toledo's director in charge of public utilities, (ii) a second Toledo official with direct responsibility for the water treatment facilities of the Toledo Water System and (iii) the director or commissioner in charge of public utilities from each of the Contracting Jurisdictions, provided that if, a Contracting Jurisdiction does not have an employee designated as a director or commissioner of public utilities, that Contracting Jurisdiction will designate a non-elected officer whose official responsibilities include oversight of water distribution to serve on the Regional Water Commission; and

WHEREAS, under Chapter XV, the Regional Water Commission is to review each annual Capital Improvement Budget for the Toledo Water System and may submit any amendments it

deems necessary for the efficient and effective operation of that System to the Clerk of the Toledo City Council (“Clerk of Council”); and

WHEREAS, so long as any such amendments submitted by the Regional Water Commission for capital expenditures are supported by the existing and projected water rates of Toledo, the Clerk of Council shall incorporate the proposed amendment(s) to the Capital Improvement Budget into an ordinance that will be placed on the Toledo City Council’s next agenda and, in accordance with Chapter XV, unless at least three-fourths of the members of the Council vote to reject the ordinance within forty-five (45) days after it is placed on the Council agenda, the ordinance will be deemed to have passed, and

WHEREAS, under Chapter XV, the Regional Water Commission may submit a proposed water rate adjustment to the Clerk of Council; and

WHEREAS, upon receipt of a proposed water rate adjustment from the Regional Water Commission, the Clerk of Council will incorporate the proposed water rate adjustment into an ordinance and place the ordinance on Toledo City Council’s next agenda; and, in accordance with Chapter XV, unless at least three-fourths of the members of Council vote to reject the ordinance within forty-five (45) days after it is placed on the Council agenda, the ordinance will be deemed to have passed, and

WHEREAS, as a result of its discussions with Toledo and the other Contracting Jurisdictions, and Toledo’s subsequent offer and actions, the Contracting Jurisdiction has requested Toledo to continue to supply water to Contracting Jurisdiction and its Authorized Customers; and

WHEREAS, Toledo and the Contracting Jurisdiction now desire to enter into this Uniform Water Agreement with the intent that the terms herein supersede any prior or existing agreement as to the supply of surplus water by Toledo to the Contracting Jurisdiction; and

WHEREAS, the Contracting Jurisdiction acknowledges and understands that the City of Toledo is entering this Uniform Water Agreement with the reasonable expectation that the Contracting Jurisdiction shall use Toledo as the sole and exclusive supplier of water for itself and its Authorized Customers and shall not commingle or mix any water from a different source, or allow any water from a different source to be comingled or otherwise mix with water provided by Toledo, except as provided in this Uniform Water Agreement; and

WHEREAS, Toledo is willing to enter this Uniform Water Agreement and has authority to do so pursuant to Ordinance No. ____-19, passed by Toledo City Council on _____, 2019, a copy of which is attached hereto as Exhibit B; and

WHEREAS, Contracting Jurisdiction is willing to enter into this Uniform Water Agreement and has authority to do so pursuant to its Resolution/Ordinance No. _____ duly passed

by its governing body on _____, 2019, a copy of which is attached hereto as Exhibit C;

NOW, THEREFORE, in consideration of the mutual promises, covenants, conditions and terms provided herein to be kept and performed, Toledo and the Contracting Jurisdiction agree as follows:

SECTION 1. DEFINITIONS

A. **“Accommodation Tap”** means a direct connection to the Toledo Water System, or an indirect connection to the Toledo Water System through the water distribution system of one Contracting Jurisdiction for a customer located in the Service Area of an adjacent Contracting Jurisdiction, for convenience from which water is provided to an Authorized Customer(s) of the Contracting Jurisdiction where the water does not pass through a Master Meter.

B. **“Authorized Customer”** means, collectively, all current or new customers of the Contracting Jurisdiction who are currently located in and connected to the Contracting Jurisdiction's distribution system within the Service Area, and any new customers to ever be located in and connected to the Contracting Jurisdiction's distribution system within the Service Area, except as may be permitted under Section 4(C).

C. **“Chapter XV”** means Chapter XV of the City of Toledo Charter as passed by Toledo electors on at an election on November 6, 2018, a copy of which is attached as Exhibit A.

D. **“Clerk of Council”** means the Clerk of Toledo City Council.

E. **“Common To All Components”** means all facilities and equipment of the Toledo Water System used by Toledo to provide water and water service to the Contracting Jurisdictions, including water intakes, pumping stations and equipment, treatment, filtration, or purification plants, force and distribution lines or mains equal to or greater than sixteen (16) inches in diameter, reservoirs, storage facilities, necessary equipment for fire protection, other related structures, master meters and other equipment, and furnishings, and real estate and interests in real estate, necessary or useful in the proper development of a water supply for domestic or other purposes and its proper distribution, but exclusive of such components used solely for distribution to Toledo retail customers or delivery of retail services.

F. **“Common To All Costs”** means all current and projected costs of operating, maintaining, repairing and replacing the Common To All Components of the Toledo Water System, costs of improvements thereto and debt service on Common To All Toledo Water System Debt to be shared by Toledo, the Contracting Jurisdiction and the other Contracting Jurisdictions as further described in Exhibit D, which includes funding of reasonable related working capital, replacement, capital and debt service reserves. Costs of improving the Water Plant include all costs related to the issuance and payment of debt for Common To All Improvements. Common To All Costs do not include costs that are solely related to the costs of

delivering retail water services.

G. **“Common To All Improvements”** means all capital improvements, including construction, replacement or repair to any Common to All Components of the Toledo Water System that impact the delivery of water meeting water quality standards as defined herein to all Contracting Jurisdictions. Common To All Improvements do not include those improvements solely related to distribution of water to an individual party’s customers.

H. **“Common To All Toledo Water System Debt”** means debt and/or loans or lease purchase obligations incurred by Toledo for the acquisition, construction, reconstruction, renovation, rehabilitation, equipping or other improvement of Common To All Components of the Toledo Water System.

I. **“Connection Point”** means a point at which the Contracting Jurisdiction’s water system connects to the Toledo Water System, or the water system of another Contracting Jurisdiction, from which the Contracting Jurisdiction receives Toledo water.

J. **“Contracting Jurisdictions”** means, initially, Fulton County Ohio, Lucas County Ohio, Monroe County Michigan for its South County Water System, the Northwestern Water and Sewer District, the City of Maumee, the City of Perrysburg, the City of Sylvania and the Village of Whitehouse, collectively, and any other subdivision or jurisdiction to which Toledo subsequently agrees to supply surplus water on substantially the same terms as provided herein; and each of the initial Contracting Jurisdictions and any subsequent Contracting Jurisdictions, being individually referred to herein as a “Contracting Jurisdiction”.

K. **“EPA”** means the Ohio Environmental Protection Agency, the United States Environmental Protection Agency or any subsequent or successor regulatory agency having jurisdiction over the water supply and distribution facilities of Toledo or any of the Contracting Jurisdictions in Ohio.

L. **“Event of Force Majeure”** means any accident, fire, explosion, casualty, epidemic, act of God, public or environmental disaster, terrorist attack, riot, earthquake, storm, tornado, flood, landslide or act of war, restraint of government and civil disturbances, and any other inability of either party, whether similar to those enumerated or otherwise, that are not within the control of the party claiming the inability and that could not have been avoided by the exercise of due diligence and care and which causes an interruption or suspension of, or materially hampers, interferes with or delays the performance or completion of any material obligations or duties of a party under this Agreement.

M. **“Master Meter”** means a meter installed at or near the point where the Contracting Jurisdiction connects to Toledo or another Contracting Jurisdiction’s water system which measures the total volume of water the Contracting Jurisdiction receives from Toledo.

N. **“Master Metered Jurisdictions”** means Contracting Jurisdictions receiving water through a Master Meter, even if some portion of water is received through Accommodation Taps as otherwise provide for herein. Master Metered Jurisdictions initially include Fulton County Ohio, Monroe County Michigan for its South County Water System, the Northwestern Water and Sewer District, the City of Maumee, the City of Perrysburg, the City of Sylvania and the Village of Whitehouse. Master Metered Jurisdictions to do not include Contracting Jurisdictions receiving retail services.

O. **“Proportionate Share of Common To All Outstanding Debt”** means a contracting party’s allocated share of outstanding Common To All Water System Debt incurred during the term of this Uniform Water Agreement for those Common to All Improvements (i) recommended by the Regional Water Commission or (ii) mandated by the federal or Ohio EPA or (iii) included in a plan approved by the Ohio EPA. A party’s Proportionate Share of Common To All Outstanding Debt shall be determined by multiplying (a) the total amount of Common To All Water System Debt, as limited in the preceding sentence, then outstanding by (b) the percentage determined by dividing the Contracting Jurisdiction’s average total metered water usage in the three (3) most recently completed calendar years by the average total combined metered water consumption of Toledo and all the Contracting Jurisdictions in those three calendar years.

P. **“Rate Transition Period”** means the period during which the rates in effect as of the Effective Date of this Agreement charged by Toledo to the Contracting Jurisdictions, including the Contracting Jurisdiction, shall be adjusted annually beginning January 1, 2020 until reaching a common rate structure as set forth in Section 5 and Exhibit H.

Q. **“Regional Water Commission”** means the Regional Water Commission established under the Chapter XV of the City of Toledo Charter.

R. **“Retail Rate”** means a rate charged to users in Toledo and in the Lucas County Service Area and to Retail Master Meter Users, excluding governmental jurisdictions, for certain volumes of Toledo Water.

S. **“Service Area”** means the defined geographical area where the water supplied by Toledo may be purchased and distributed by the Contracting Jurisdiction as shown in Exhibit F.

T. **“Toledo Water”** means surplus water produced and supplied by Toledo to its retail water customers and to Contracting Jurisdictions directly or indirectly through the Toledo Water System.

U. **“Water Emergency”** means a temporary inability of the Contracting Jurisdiction to obtain, or to provide to its customers an adequate, safe water supply due to an inability of Toledo to provide such a supply to the Contracting Jurisdiction, or due to a failure in the Contracting Jurisdiction’s distribution system.

V. **“Water Emergency Period”** means a period during which the Contracting Jurisdiction is experiencing a Water Emergency.

W. **“Water Quality”** means water quality as defined by the United States (“U.S” or “federal”) Environmental Protection Agency and Ohio Environmental Protection Agency and compliance with the federal Safe Drinking Water Act and applicable regulations.

X. **“Wholesale Rate”** means the uniform rate charged to Master Metered Jurisdictions for Toledo Water from time to time, calculated as specified in Section 5(A) and adopted in accord with the provisions of this Agreement, including Section 3, Section 5 and Charter Section XV.

SECTION 2. CONTINUED OBLIGATION TO SUPPLY SURPLUS WATER

A. In accordance with and subject to the terms and conditions and for the consideration set forth in this Agreement, Toledo agrees to continue to furnish surplus water to the Contracting Jurisdiction for its use for resale to its Authorized Customers and for fire protection within its Service Area.

The prior agreement executed by and between Toledo and the Contracting Jurisdiction dated _____, shall be deemed wholly superseded and replaced by this Uniform Water Agreement as of the Execution Date, except as follows: (i) that as provided in Section 5(B), during the Rate Transition Period, the Contracting Jurisdiction will initially continue to pay the rate and surcharge in effect under that prior agreement as of the Execution Date, which rate and surcharge will be adjusted in accordance with Exhibit H; and (ii) that any provision in the prior agreement related to the establishment and operation of joint economic development zones, joint economic development districts or Cooperative Economic Development Agreements shall survive the termination of the prior agreement and shall be deemed incorporated herein as if fully written out in this Agreement and shall be a material part and condition hereof.

SECTION 3. REGIONAL WATER COMMISSION

A. The Regional Water Commission is established pursuant to Chapter XV of the City of Toledo Charter, which is attached as Exhibit A and is hereby incorporated into this Uniform Water Agreement in its entirety. So long as this Agreement is in effect, the Contracting Jurisdiction shall be entitled to participate in the Regional Water Commission through a representative as designated by the Contracting Jurisdiction as contemplated in Chapter XV.

B. Toledo shall provide information to the Regional Water Commission that may be necessary for the Commission to evaluate the Wholesale Water Rate, propose rate adjustments and make other recommendations regarding capital improvements to the Common To All Components of the water system. Toledo agrees to supply the Regional Water Commission with monthly operating reports, EPA sanitary surveys, and all other documents regarding Water Quality and

compliance issues.

C. The Regional Water Commission may recommend a Wholesale Rate based upon cost of service as further described in Section 5 and Exhibit D.

1. The Regional Water Commission shall take into consideration at least the following, non-exclusive, factors when preparing any rate recommendations:

- a. Current and projected costs of operating, maintaining and making non-capital repairs to the Common To All Components of the Toledo Water System.
- b. Current and projected amounts necessary for capital improvements to and for capital repair and replacement of the Common To All Components of the Toledo Water System.
- c. Funds necessary to timely pay the debt charges on all Common To All Debt and to comply with rate covenants in related indentures and financing documents entered into by Toledo in connection with its incurrence of Common To All Toledo Water System Debt.
- d. The remaining term(s) of the Uniform Water Agreement(s) and the amortization periods for outstanding, planned and proposed Common To All Toledo Water System Debt.

2. Upon receipt of a proposed Wholesale Rate adjustment from the Regional Water Commission, the Clerk of Council will incorporate the proposed water rate adjustment into an ordinance that adjusts existing water rates and place the ordinance on the next Toledo City Council agenda. Unless at least three-fourths of the members of Council vote to reject the ordinance within forty-five (45) days after it is placed on the Council agenda, the ordinance will be deemed to have passed.

D. The Regional Water Commission shall review the annual capital improvement budget for the Toledo Water System and may submit any amendments it deems necessary for the efficient and effective operation of the water utility to the Clerk of Council. So long as the cost of the Regional Water Commission's proposed amendments to the capital improvement budget are supported by Toledo's then existing and projected water rates, the Clerk of Council shall incorporate the proposed amendment to the Capital Improvement Budget into an ordinance that will be placed on the Council's next agenda. Unless at least three-fourths of the members of the Council vote to reject the ordinance within forty-five (45) days after it is placed on the Council agenda, the ordinance will be deemed to have passed.

1. In making capital recommendations, the Regional Water Commission's recommendations shall take into consideration any EPA required changes to Common To All Components of the Toledo Water System.

2. Toledo and the Contracting Jurisdiction agree to cooperate with the Regional Water Commission to identify mutually beneficial capital and operating improvements to the Common To All Components of the Toledo Water System and to provide assistance and support for such improvements.

3. Toledo and the Regional Water Commission shall examine options and strategies including capital costs to create redundancy in the water system consistent with the requirements of Section 8(D).

SECTION 4. SERVICE AREA

A. Service Area Defined. The Service Area where the water supplied by Toledo and purchased and distributed by the Contracting Jurisdiction to its Authorized Customers consists of the area as shown on the map attached hereto and made a part hereof as Exhibit F.

B. Changes to Service Area. The Service Area may be increased, decreased, or otherwise modified by written agreement of the Contracting Jurisdiction and Toledo, approved by their respective legislative authorities, and provided that not less than thirty (30) days prior written notice of any modification has been provided to the members of the Regional Water Commission. The Contracting Jurisdiction shall provide Toledo and the Regional Water Commission with updated maps, legal or detailed boundary descriptions and related Service Area information upon request and in Toledo-compatible formats, including GIS. If a change in the Contracting Jurisdiction's Service Area would materially and adversely impact any other Contracting Jurisdiction(s), such change shall require the approval of the impacted Contracting Jurisdiction(s). However, if the Contracting Jurisdiction and Toledo are unaware of any impact and if a Contracting Jurisdiction does not claim an impact within the 30-day notice period to the Regional Water Commission members, then the Contracting Jurisdiction shall be deemed to have waived any objection, and no approval shall be required.

C. Service Area Exclusive. The Service Area shall be an exclusive water service area of Contracting Jurisdiction, except that it shall not restrict Toledo from entering into water service contracts for service outside the Service Area, or within the Service Area for: i) any Toledo owned or controlled facilities, including, without limitation, a new water treatment plant and intake facilities; ii) existing or new Accommodation Taps as defined herein; and iii) upon agreement with the Contracting Jurisdiction, entities qualifying for the Second Block Retail Rate usage threshold or a Negotiated Agreement rate as defined in Section 5(A)(2). All customers for Toledo Water in the Service Area shall be the Contracting Jurisdiction's customers, except as stated in this Section. Toledo shall, upon notice to the Contracting Jurisdiction, have the right and authority to use the Contracting Jurisdiction's water distribution facilities in the Service Area, subject to a charge for documented incremental operation and maintenance costs, for the purpose of supplying water to Toledo customers inside or outside of the Service Area, so long as such use does not impair the water services to the Contracting Jurisdiction.

D. No Commingling. Subject to the exceptions set forth in Section 8(H), Toledo shall be the sole and exclusive provider of water to the Service Area, and no other water supplies shall be commingled with Toledo Water without the express written consent of Toledo.

E. Nothing in this Agreement shall be deemed to restrict Toledo from entering into water service contracts for service outside a Service Area.

F. Annexation. A municipal Contracting Jurisdiction shall not directly or indirectly provide water service to any new commercial or residential structure, within its Service Area but outside its municipal corporation's current corporation limits, through the municipal Contracting Jurisdiction's water service system unless the owners of such structures have annexed to or have signed an annexation agreement with the municipal Contracting Jurisdiction, unless specifically excepted under this Uniform Water Agreement

SECTION 5. WATER RATES, BILLING & COLLECTIONS & CAPITAL IMPROVEMENTS

A. Toledo Water Rates

1. Wholesale Rate. The Wholesale Rate shall include Common To All Costs, as set forth in Exhibit D, based on the cost of service model, which includes all Master Metered Contracting Jurisdictions' proportionate and/or allocated share of costs related to working capital, replacement, capital and debt service and debt service reserves, without limitation, as may be required under the terms of any bond or debt indenture for Common to All Toledo Water System Debt. (A baseline example of the methodology for calculating the cost of service for rates is included as Exhibit E, with specific costs and allocation numbers subject to change in accord with actual costs.) The Wholesale Water Rate shall not include (i) costs solely attributable to operating, maintaining, repairing and replacing those distribution components of the Toledo Water System that are not Common To All Components of the Toledo Water System, (ii) costs of capital improvements to those distribution components of the Toledo Water System that are not Common To All Components of the Toledo Water System or debt service on debt incurred for improvements to those components, or (iii) costs of retail-related items such as meter reading, customer service and billing. The Wholesale Rate shall be less than the First Block Retail Rate, inclusive of the Fixed Cost Rate.

2. Retail Rates. Retail Rates applicable to Toledo retail customers as determined by Toledo shall include:

a) First Block Retail Rate. Toledo and Lucas County customers using 160,000 cubic feet per month or less shall pay a retail rate based on the cost of service, which rate will include Common To All Costs based on the cost of service model, plus allocated costs that are not Common To All Costs for operation,

maintenance, repair and replacement, including capital improvement and financing costs, of the Toledo Water System. Toledo reserves the right to adjust the eligible water volume limit or other criteria for eligibility for the First Block Retail Rate from time to time.

b) Second Block Retail Rate. Eligible Toledo and Lucas County customers, excluding governmental jurisdictions, using more than 160,000 cubic feet per month (“Second Block Threshold”) shall pay a retail rate based on the cost to provide service to water users consuming more than the Second Block Threshold of water per month, which will include Common To All Costs, plus allocated costs that are not Common To All Costs for operation, maintenance, repair and replacement, including capital improvement and financing costs, of the Toledo Water System. Toledo reserves the right to adjust the Second Block Threshold or other criteria for eligibility for the Second Block Retail Rate from time to time.

c) Fixed Cost Rate. Toledo and Lucas County Customers shall pay a fixed monthly cost to meet expenses related to utility administration, meter reading, billing collection, and customer services, in addition to the applicable First or Second Block Retail Rates.

d) Negotiated Agreements. Notwithstanding the above, Toledo may negotiate specific rates based on cost of service with large volume commercial or industrial customers providing economic development benefits to Toledo and/or the surrounding region or a beneficial impact on the Toledo Water System and Common To All Costs borne by all customers.

e) No Impairment of Other Agreements. Nothing in this Agreement shall be deemed to impair Toledo’s right to periodically adjust the structure or schedule of retail rates or impair the continued use of retail rate structures or schedules contained in other Toledo Water Contracts.

B. Water Rate During Transition Period. On the Effective Date of this Uniform Water Agreement, for Toledo Water delivered at the Contracting Jurisdiction’s Connection Points, Contracting Jurisdiction will continue to pay the rate and surcharge in effect at the time this Uniform Water Agreement was executed as set forth in the Contracting Jurisdiction’s prior contract as referenced in Section 2 and as attached hereto as Exhibit G (“Original Rate”). During the Rate Transition Period, the Contracting Jurisdiction’s Original Rate [and the corresponding original rates of the other Contracting Jurisdictions as of the Effective Date] will transition to an equalized and uniform rate that shall be the same Wholesale Rate as charged to all Contracting Jurisdictions, excepting those Contracting Jurisdictions receiving retail services. During the Rate Transition Period the Contracting Jurisdiction’s Original Rate, including surcharges, will be adjusted annually as set forth in Exhibit H.

C. Wholesale Rates Following Rate Transition Period. After the Rate Transition Period, Toledo shall deliver surplus water to the Contracting Jurisdiction at the Contracting Jurisdiction's Connection Points at the Wholesale Rate as in effect from time to time. All Master Metered Contracting Jurisdictions shall be delivered water at the Wholesale Rate as specified in Sections 1(X) and 5A(1). A Master Metered Contracting Jurisdiction shall be charged the Wholesale Rate for all Toledo Water delivered at all connection points regardless of whether water is delivered through the Master Meter or through an Accommodation Tap agreed to between Toledo and the Contracting Jurisdiction. (This provision does not apply to a Contracting Jurisdiction who is a Toledo retail services customer.)

1. Toledo and the Contracting Jurisdiction acknowledge and agree that Toledo is obligated, and it is their mutual intent, to adjust rates, including the Wholesale Rate, in effect from time to time to generate revenues projected to be sufficient to operate, maintain, repair and replace, as required the Common To All Components of the Toledo Water System and to pay costs of capital for Common To All Improvements of the Toledo Water System, including without limitation, debt charges on Common To All Toledo Water System Debt when due, with an additional margin to comply with covenants in agreements securing the Common To All Toledo Water System Debt.

2. Accordingly, Toledo shall have the right to amend water rates at any time, including without limitation, the Wholesale Rate, as provided in the Toledo City Charter and Toledo Municipal Code, and subject to the limits and requirements of Chapter XV, as may be necessary to satisfy the forgoing obligations. However, any Wholesale Rate enacted and applicable under this Uniform Water Agreement shall remain uniform and consistent with the principles set out herein, specifically Common To All Costs as defined in herein and as determined in accordance Section 5 and Exhibit D. Revised or amended rates shall become effective under this Uniform Water Agreement upon sixty (60) days written notice to the Contracting Jurisdictions.

3. It is the intent of the parties that the Wholesale Rate shall be set to generate sufficient revenues to provide for the payment in full, within the term of this Uniform Water Agreement, inclusive of any renewal term or extension thereof, all Master Metered Contracting Jurisdictions' allocated or proportionate share of all Common to All Improvements, that were incurred upon recommendation of the Regional Water Commission or were mandated by the federal or Ohio EPA or included in a plan approved by the Ohio EPA.

D. Jurisdictions Served Through Another Contracting Jurisdiction's Distribution Lines. A Contracting Jurisdiction that receives Toledo water through the distribution lines of another Contracting Jurisdiction other than Toledo shall be billed, in addition to the Wholesale Rate, a separate charge as determined by the other Contracting Jurisdiction for a proportional share of construction, operating, maintenance, repair or replacement costs for the distribution facilities through which the Contracting Jurisdiction receives water. A description of charges (if applicable) to

the Contracting Jurisdiction for distribution charges from the other Contracting Jurisdiction through which it receives some portion or all of the Toledo Water supplied under this Agreement are shown in Exhibit J. The Contracting Jurisdiction, to the extent that its distribution facilities are used to supply one or more other Contracting Jurisdiction(s), agrees that any proportional use charges for its water distribution facilities shall be at actual or imputed costs with no additional mark-up.

E. Master Meter Reading and Billing to the Contracting Jurisdiction. Toledo shall read the Master Meter(s) at the Contracting Jurisdiction's Connection Points and submit the volumes shown for water delivered to the Contracting Jurisdiction in the manner and form reasonably required and subject to verification. Unless the parties agree in writing to another billing arrangement, Toledo will bill the Contracting Jurisdiction monthly for all volumes of water delivered through all Master Meters. For water supplied by Toledo to a Contracting Jurisdiction that goes through an Accommodation Tap, the Contracting Jurisdiction will read the meters serving any customer and advise Toledo of the volume of water consumed and, upon completion of the Rate Transition Period, pay the Wholesale Rate.

F. Payment for Water Supplied.

1. The Contracting Jurisdiction shall pay for the water supplied to it by Toledo in accordance with the terms of this Agreement, the Toledo Municipal Code, Toledo Department of Public Utility regulations and other applicable laws. Toledo shall collect and enforce payment of its billings on the same terms and conditions applied to its own internal customers, including, without limitation, termination of water services. However, a Contracting Jurisdiction shall have 30 days from date of invoice to remit payment.

2. The Contracting Jurisdiction shall cooperate with any audits of this Agreement (or water usage hereunder) conducted by or on behalf of Toledo. In the event of the Contracting Jurisdiction's failure to pay said bill(s) when due, without waiving any other remedies under this Uniform Water Agreement, said unpaid bill(s) shall become obligations payable from the Water Revenues of the Contracting Jurisdiction and shall be collectible in any court of law.

3. Should any meter(s) fail to properly measure the volume of water provided by Toledo to the Contracting Jurisdiction, the volume for such period of failure shall be estimated by using the flow rates of the meter(s) for equal number of days prior to and following the failure, or by the application of any other method or period of time as mutually agreed upon that would more accurately reflect the volume for such period of failure. There shall be no discount or credit to the Contracting Jurisdiction for any water loss in the Service Area.

G. Toledo shall provide Retail Water Services to Lucas County, as specified in Section 6, with customers charged at the applicable retail rate.

H. Capital Improvements.

1. Capital Improvements shall be recommended for inclusion in Toledo's water utility annual capital improvement budget as necessary to maintain Water Quality and to ensure efficient and effective operations in accord with Section 3(D).

2. It is the intent of the parties that the Wholesale Rate shall be set to generate sufficient revenues to provide for the payment of all Common To All Improvements, that were incurred upon recommendation of the Regional Water Commission or were mandated by the federal or Ohio EPA or included in a plan approved by the Ohio EPA, to be paid for within the term of this Uniform Water Agreement, inclusive of any renewal term or extension thereof.

3. Notwithstanding any other provision herein, the parties agree that Toledo is obligated under this Uniform Water Agreement to adjust rates to generate sufficient revenue to maintain and pay the Common To All Toledo Water System Debt in accordance with all terms and requirements of any applicable bond or trust indenture and to pay Common To All operating and maintenance costs.

SECTION 6: RETAIL SERVICE TO A CONTRACTING JURISDICTION WITHOUT MASTER METERING [This Section is Applicable to Lucas County]

A. Lucas County, as a Contracting Jurisdiction without master metering shall, upon removal of the 75% surcharge at the end of the Transition Period, pay the same retail rates as Toledo retail customers. During the Transition Period rates will be adjusted as provided in Exhibit H. All other surcharge costs (i.e. tap fees, meter costs) incurred by Lucas County customers shall be removed on the Effective Date of this Agreement, and Lucas County users will pay the same associated costs as Toledo retail customers.

B. Toledo shall continue to tap Lucas County non-metered water mains and be responsible for all related service connections and customer service related to taps, service lines, metering, billing and collection.

C. Installation of water service connections or "taps" within the Toledo and Lucas County Service Areas shall be made by the Toledo Department of Public Utilities and charged to the user at the rate charged to similarly situated users in Toledo.

D. Tap branches installed by Toledo shall be equipped with a meter in accordance with applicable Toledo standards. The installation of all meters shall be made by the Toledo Department of Public Utilities according to applicable regulations. Toledo and Lucas County taps and meters shall be charged to the user at the same rate. Applications for the installation of water tap branches in Lucas County shall be made to the Lucas County Sanitary Engineer, who will be responsible for submitting them to the Toledo Department of Public Utilities.

E. Lucas County shall operate and maintain water facilities within the Lucas County Service Area. Water mains, reservoirs, tanks pumping stations and other water improvements constructed by Lucas County shall conform to the current standards and specifications of Toledo.

F. At the request of Lucas County, Toledo may provide maintenance and operation services within the Lucas County Service Area, including assistance in operating and maintaining water pumping stations (“PS”) (i.e. Northwest PS, Southwest PS, Fulton Co PS and Corey Rd PS) that benefit Lucas County’s water system and customers. Toledo shall bill Lucas County for the cost of its operation and maintenance services on a time and material basis each quarter, which costs shall be reimbursed to Toledo by Lucas County.

G. Toledo shall read the meters and prepare and mail all bills for water service charges and other items to consumers in the Toledo and Lucas County Service Areas. Said billing and collections shall include applicable Lucas County customers receiving their water supply from Toledo and include those customers with wastewater or Lucas County service charges to be collected by and disbursed to Lucas County by Toledo at no additional charge, with any costs of collection and disbursement to be included in the retail rate.

H. Lucas County may charge its residents and customers within the Lucas County Service Area an additional local operation, capital or other charge that will be billed and collected by Toledo and paid to Lucas County on a quarterly basis or as otherwise agreed. At the request of Lucas County, Toledo may also bill and collect wastewater collection and/or treatment charges within the Lucas County Service Area on behalf of Lucas County and disburse such collections to Lucas County after receipt. No modification of the local charges shall become effective or be billed and collected by Toledo unless and until Lucas County has notified Toledo at least forty-five (45) days prior to the proposed effective date. At the retail service rate, Toledo shall not charge Lucas County for the service of billing, collecting, accounting for and remitting of the Lucas County local service or wastewater charges. All billing of Lucas County customers shall be in accordance with Toledo’s regular billing schedule for Toledo retail customers.

I. For delinquent charges unable to be collected by Toledo from Lucas County customers, Toledo shall have the right to affect any legal procedures deemed necessary to collect delinquent accounts as is done with Toledo water customers. Toledo may provide an annual listing to allow Lucas County to collect said charges through the property duplicate.

SECTION 7. CONDITIONS FOR SALE OF WATER

The continued provision of Toledo surplus water to the Contracting Jurisdiction for use in the Service Area is specifically predicated upon the completion of and/or compliance with all the following conditions, as well as all other terms and conditions of this Uniform Water Agreement.

A. Customers in Service Area.

1. The Contracting Jurisdiction shall furnish water and water services only to its Authorized Customers and, unless Toledo agrees or has previously agreed in writing, only within the Contracting Jurisdiction's Service Area.

2. If the Contracting Jurisdiction directly or indirectly provides Toledo water to any structure and/or customer that is not an Authorized Customer, the Contracting Jurisdiction shall, at Toledo's request, terminate water service to the structure and/or customer, as soon as it is legally authorized to do so. If the Contracting Jurisdiction fails to terminate service to such a customer for any reason, including legal restraint, Toledo shall have the right, among all other available remedies, to immediately add a water rate surcharge of seventy-five percent (75%) in addition to the rates established in Section 5 for each ineligible connection, which surcharge will stay in place until said ineligible connection is removed.

3. The Contracting Jurisdiction shall have the right to resell water provided by Toledo and purchased by the Contracting Jurisdiction to Authorized Customers in the Service Area at such rates and charges as it determines. Toledo shall not be responsible for any oversight of the rates and charges imposed by the Contracting Jurisdiction. All costs related to authorizing, monitoring, and enforcing water resale requirements shall be at the Contracting Jurisdiction's sole expense, including, without limitation, sub-metering accuracy, installation and maintenance, water loss, meter reading, billing and collection activities.

4. For the purposes of this Agreement, Contracting Jurisdictions that receive Toledo Water through another Contracting Jurisdiction's water distribution system shall not be considered customers of the other Contracting Jurisdiction; they shall be considered Master Meter customers of Toledo. However, they shall be subject to an additional charge for distribution related services from another Contracting Jurisdiction through which they receive Toledo Water as provided in Section 5(D). A description of applicable charges to the Contracting Jurisdiction is shown in Exhibit K.

B. Master Meters, Connection Points and Accommodation Taps.

1. Master Meters. Toledo agrees to use Master Meters for the purpose of measuring the volumes of water supplied by Toledo and purchased by the Contracting Jurisdiction for the its Service Area (excepting Lucas County). Toledo shall own the Master Meters. The Contracting Jurisdiction shall convey to Toledo at no cost within sixty (60) days of the Effective Date of this Uniform Water Agreement both (i) the Master Meters it owns on the Effective Date of this Agreement, and (ii) any necessary easements required to replace, maintain or otherwise access the Master Meters. Toledo may, at Toledo's expense, supply, test, maintain, replace and calibrate all Master Meters, radio transmitters and related

appurtenances thereto. The Master Meters shall be installed and maintained at Connection Point locations off of Toledo water mains or off of water mains of other Contracting Jurisdictions to be agreed upon between the parties (collectively, "Connection Points"), or as exist on the Effective Date of this Uniform Water Agreement; and each party shall have unrestricted access at all times to such Master Meters and appurtenances, and Master Meter reports for inspection, reading, and proper billing by authorized officers and employees of the parties.

2. Connection Points. Toledo shall deliver water to the Contracting Jurisdiction at the locations identified in Exhibit I.

3. Responsibility for Facilities and Customers Beyond Connection Point. The Contracting Jurisdiction shall be solely responsible for all the Contracting Jurisdiction's water distribution facilities; and all customers served from and after the Connection Points are the Contracting Jurisdiction's customers and the responsibility of the Contracting Jurisdiction, except as provided in Section 4(B).

4. Accommodation Taps.

a. Where an Authorized Customer is located within the Service Area but is unable to be served by the Contracting Jurisdiction, upon a request first being made by the Contracting Jurisdiction, Toledo may consent at its sole option to a temporary Accommodation Tap from a Toledo water main or, with the additional consent of another Contracting Jurisdiction that owns the main to be tapped, from a main of that Contracting Jurisdiction, through which the Authorized Customer may receive Toledo Water until such time as the Contracting Jurisdiction is able to serve such Authorized Customer through a master metered connection.

b. Toledo acknowledges that the Contracting Jurisdiction has requested continuation of the Accommodation Taps that are identified in Exhibit I attached hereto for Authorized Customers of the Contracting Jurisdiction during all or a portion of the term of this Agreement. Accommodation Taps not otherwise specified in this Uniform Water Agreement shall be permitted at Toledo's sole option and will be subject to a written mutual agreement between Toledo, the Contracting Jurisdiction, and any affected parties.

5. Additional Connection Points. The creation, location or relocation of Connection Points, not otherwise specified in this Agreement, to serve the Contracting Jurisdiction shall be subject to written approval by Toledo's Department of Public Utilities and the Contracting Jurisdiction; and shall be on a Master Meter basis, except as otherwise permitted under Section 7(B)(4) above.

C. Contracting Jurisdiction's Water Facilities/Use of Toledo Right-of-Way

1. At its sole expense and as approved in writing by Toledo, the Contracting Jurisdiction shall own, construct, reconstruct or replace, operate and maintain the Connection Points, Accommodation Taps, and the water distribution system beyond the Connection Points.

2. The Contracting Jurisdiction shall have the right to use easements and public rights-of-way outside the Contracting Jurisdiction's Service Area and within the Toledo corporate limits to the same extent Toledo has such rights, without payment of any license fee to Toledo, for the purpose of construction, laying, locating and operating, repairing, replacing, removing and/or maintaining the Contracting Jurisdiction's water distribution facilities provided for in this Agreement. Subject to the foregoing, the Contracting Jurisdiction shall obtain at its sole expense any property rights for the Contracting Jurisdiction's water distribution facilities within and outside the Service Area.

3. The Contracting Jurisdiction shall not provide or install any customer and/or lateral connections to Toledo's mains within the Toledo corporate limits without express written approval from Toledo. Prior to any construction, reconstruction, or improvement of the Contracting Jurisdiction's water distribution facilities within Toledo corporate limits, the Contracting Jurisdiction shall submit plans for same to Toledo for engineering review and approval and shall make any changes required by Toledo. Toledo shall have the right to inspect the work during construction, reconstruction, or improvement and at reasonable times thereafter.

4. For all work performed by the Contracting Jurisdiction on its water distribution facilities outside the Service Area and within the Toledo corporate limits, the Contracting Jurisdiction shall, in addition to all other obligations in this Water Agreement, perform, at its sole expense, all necessary excavating, back-filling and street restoration and replacement within Toledo corporate limits in accordance with the ordinances, policies, and rules and regulations of Toledo now or hereafter in effect, including, without limitation, restoring and replacing all streets, pavements, sewers, drains, gas and water mains or lines, lawns, boulevards, trees and shrubs affected by any work incident to place the same in the same or better condition as they were prior to such work by the Contracting Jurisdiction.

5. Toledo shall not have any responsibility for or financial liability for construction, reconstruction, improvement, maintenance or operation of any Contracting Jurisdiction water distribution facilities within the Service Area and/or outside the Service Area within Toledo corporate limits.

6. In the event the Contracting Jurisdiction requests and authorizes Toledo to maintain and repair the Contracting Jurisdiction's water facilities outside the Service Area and in Toledo corporate limits, the Contracting Jurisdiction shall pay Toledo for all such

work performed by Toledo, without discount, by the due date rendered by any billing or invoicing by Toledo to the Contracting Jurisdiction for same. In addition, Toledo may, at its option and at the sole expense of the Contracting Jurisdiction, effect necessary repairs and maintenance of the Contracting Jurisdiction water distribution facilities outside the Service Area and in the Toledo corporate limits that, in Toledo's engineering judgment and discretion, are of an emergency nature, without receiving the prior consent of the Contracting Jurisdiction. In an emergency, Toledo may also turn off a Toledo main, or a main of the Contracting Jurisdiction located in Toledo corporate limits until the Contracting Jurisdiction makes the necessary repair of the affected Contracting Jurisdiction's water distribution facilities. In the event Toledo determines to undertake any such repairs or maintenance or to turn off any such main, Toledo shall notify the Contracting Jurisdiction of said actions as soon as reasonably possible.

7. Toledo shall, upon notification to the Contracting Jurisdiction, have the right to utilize any facilities owned by the Contracting Jurisdiction inside the City of Toledo.

D. Toledo's Use of Contracting Jurisdiction Distribution Facilities and Right-of-Way.

1. Toledo shall have the right to use easements and public rights-of-way in the Contracting Jurisdiction's Service Area or corporate limits to the same extent and with the same reciprocal obligations as the Contracting Jurisdiction has such rights and obligations in Toledo, for the purpose of construction, laying, locating and operating, repairing, replacing, removing and/or maintaining Toledo Water System distribution facilities as may be necessary for delivery of Toledo Water to Contracting Jurisdiction or other Toledo customers within or outside the Contracting Jurisdiction's Service Area.

2. The Contracting Jurisdiction shall, upon notification to Toledo, have the right to utilize any facilities owned by Toledo with the corporate limits or Service Area, as applicable, of the Contracting Jurisdiction for any necessary purposes that do not impair Toledo Water Service to customers inside or outside the Contracting Jurisdiction's Service Area.

E. Toledo Water Supply. The total volume of Toledo Water to be furnished to a Service Area from all Connection Points specified in the Uniform Water Agreement or any amendments hereto shall not exceed those volumes determined by Toledo and specified in Exhibit I; and the Contracting Jurisdiction agrees that no single Connection Point shall be construed as to supply the foregoing volume. The volume of water for a Contracting Jurisdiction may be increased at the request of the Contracting Jurisdiction upon the consent of Toledo, which consent shall not be unreasonably withheld. In its sole discretion, Toledo may require the Contracting Jurisdiction at its sole expense, to procure an independent water distribution study of the Toledo Water Supply System acceptable to Toledo that demonstrates the need for the increase and the projected effects of the increase on the Toledo Water System and the other Contracting Jurisdictions. Any such study shall be shared with Toledo and the Regional Water Commission. The parties agree that in the

event the demands in the Service Area exceed the surplus supply which in Toledo's reasonable judgment can be delivered by Toledo at one or more Connection Points or adversely affects the functioning of the part of the Toledo distribution system being serviced by the trunk main at a particular Connection Point, the Contracting Jurisdiction may, at its sole expense and upon the written approval of Toledo, reinforce its supply by installing a trunk main connecting to a new Connection Point pursuant the terms of this Agreement.

F. Storage Facilities. The Contracting Jurisdiction shall not pump water directly from mains outside the Service Area and within Toledo corporate limits except during a Water Emergency Period, or at such other times as Toledo may approve, but, in either event, only if approved by Toledo. Unless otherwise agreed by Toledo and the Contracting Jurisdiction, the Contracting Jurisdiction shall, as part of the Contracting Jurisdiction's water distribution facilities, provide storage facilities and above ground reservoirs of sufficient capacity so that direct pumping from mains within the corporate limits of Toledo will not be necessary. The Contracting Jurisdiction shall only fill its reservoirs and/or storage tanks at times that are mutually agreed upon by the parties. Toledo agrees to be reasonable in granting this authority. The Contracting Jurisdiction shall make every effort to maintain pressure when pressure concerns arise in the Toledo Water System.

G. Commingling Prohibited. Except in the event of a Water Emergency as defined below, only water supplied by Toledo shall be sold or used in the Service Area and no other water supplies shall be commingled with Toledo water without the express written consent of Toledo.

H. Water Emergency.

1. Notwithstanding any conflicting provision in other Sections of this Agreement and subject to the terms and limitations in this Section 7(H), the Contracting Jurisdiction may enter into an emergency water supply agreement with other water providers pursuant to which they may obtain water from another source temporarily during a Water Emergency Period.

2. The parties agree that if any party experiences a situation that causes a Water Emergency, the party experiencing the situation shall contact the other party, and any other affected Contracting Jurisdictions directly or indirectly connected to its water distribution system, with all requested details evidencing the Water Emergency at the earliest opportunity. For Water Emergencies lasting beyond 24 hours, written approval from Toledo shall be obtained for continuing to receive water supplied from the other source, which shall not be unreasonably withheld. The Regional Water Commission shall be notified of any Water Emergency that lasts more than 24 hours.

3. If the Contracting Jurisdiction has an emergency water agreement with another jurisdiction that requires that emergency service be tested or exercised up to two times per year, the Contracting Jurisdiction shall exercise such requirement only upon written notice to Toledo, and only at such time and for such duration as mutually agreed with Toledo.

4. The Contracting Jurisdiction shall take such reasonable measures as Toledo deems necessary and may require to protect the safety and integrity of the Toledo Water System during a Water Emergency or during a test or exercise required pursuant to a Contracting Jurisdiction's emergency water agreement.

I. Compliance with Laws. The parties shall cooperate and take any and all actions to comply with any Ohio or federal law or regulation governing water service in the Service Area, including, without limitation, the federal Safe Drinking Water Act. The parties shall assist each other in complying with such regulations in the Service Area, including, without limitation, the reporting requirements to federal, state and local authorities.

SECTION 8. WATER SUPPLY, REDUNDANCY, PRESSURE AND QUALITY

A. Toledo shall endeavor to supply the Contracting Jurisdiction and other Contracting Jurisdictions a continuous supply of water and consistent water pressure with Water Quality that meets the standards of the Safe Drinking Water Act. In the event of serious damage to treatment facilities, reservoirs or pumping stations or other emergencies, Toledo may shut off water service to the Contracting Jurisdiction and/or other Contracting Jurisdictions without prior notice for the reasonable duration necessary to effect repairs. Notice of a shut-off of water service shall be given as soon as reasonably possible in accord with provision of Section 7(H)(2) to any impacted Contracting Jurisdiction(s). Any suspension of water service or inadequacy of water pressure for any of the foregoing causes shall in no case render Toledo liable for damages to the Contracting Jurisdiction(s) and/or any person, firm, corporation and/or governmental body in a Service Area.

B. Toledo does not guarantee the Water Quality within the Service Area beyond the Connection Points. The parties agree that it is the responsibility of the Contracting Jurisdiction to maintain Water Quality for its customers within its Service Area and it is Toledo's responsibility to maintain Water Quality up to the Connection Points in conformance with federal and Ohio EPA regulations and the Safe Drinking Water Act.

1. Any fines or penalties assessed to a Contracting Jurisdiction due to Toledo's failure to comply with EPA standards shall be reimbursed to the Contracting Jurisdiction by Toledo from funds and revenues of the Toledo Water System.

2. Any fines or penalties assessed to Toledo due to a Contracting Jurisdiction's failure to comply with EPA standards shall be reimbursed to Toledo from funds and revenues of the Contracting Jurisdiction.

C. The Contracting Jurisdiction agrees to abide by, and enforce on consumers within its Service Area, any emergency restrictions of water use which may be imposed upon consumers within Toledo in order to maintain service within either jurisdiction.

D. In consultation with the Regional Water Commission, Toledo will (i) develop a general plan for alternative (redundant) water supply in conformance with applicable EPA requirements, and (ii) evaluate the water system cost of service and rates for the purpose of optimizing Toledo Water System operations.

E. If the Ohio or federal EPA require changes to the Agreement or to water supply or distribution facilities of the Toledo Water System or the water distribution facilities of the Contracting Jurisdiction, or if any other agency having jurisdiction requires changes to any of the Contracting Jurisdiction's water distribution facilities, Toledo and the Contracting Jurisdiction agree to cooperate in making those changes.

F. [MICHIGAN ONLY PROVISION] This provision is applicable to a Contracting Jurisdiction whose water distribution system is subject to the jurisdiction of the State of Michigan's Department of Environment, Great Lakes and Energy ("EGLE") and as a result is mandated to meet water quality standards that may differ from the legal and regulatory requirements applicable to the Toledo Water System under Ohio and federal law and regulations. If Toledo and the Contracting Jurisdiction determine that the Toledo Water System is incapable of meeting legally adopted Michigan Water Quality Standards, Toledo and the Contracting Jurisdiction will cooperate to find ways to resolve the issue. However, if (i) the solution requires new capital improvements or investments in Common To All Components of the Toledo Water System, such improvements or investments shall be submitted for the consideration and recommendation of the Regional Water Commission prior to any approval by Toledo; and (ii) if Toledo and the Contracting Jurisdiction determine that the Toledo Water System is incapable of meeting legally adopted Michigan Water Quality Standards and EGLE were to mandate by written order that the Contracting Jurisdiction could not continue to be served by the Toledo Water System, the Contracting Jurisdiction may terminate this Agreement and shall thereafter be exempted from the requirements of Section 12(D) and (F) of this Agreement and shall not be liable for its Proportionate Share of Common To All Outstanding Debt upon termination.

G. If a Contracting Jurisdiction finds that it is in their best interest that certain improvements be made to the Contracting Jurisdiction's water distribution system or to the Toledo Water System that would not be considered Common To All Improvements, nothing in this Uniform Water Agreement shall be deemed to prohibit Toledo and the Contracting Jurisdiction from entering into a separate or corollary agreement for such improvements under such terms and conditions as may be mutually beneficial to the parties, so long as such improvements do not negatively impact the Toledo Water System overall or the water distribution system of any other Contracting Jurisdiction. Any such separate or corollary agreement shall not be taken into consideration in the determination of the Wholesale Rate.

SECTION 9. ASSIGNMENT & MODIFICATION

A. Neither this Agreement, nor any rights, benefits nor obligations hereunder, may be

assigned by Toledo or the Contracting Jurisdiction without the written consent of the other party. A transfer of either party's rights and duties through the valid creation of a regional water authority with the consent of the parties shall not constitute an assignment.

B. Toledo and the Contracting Jurisdiction may amend this Agreement by a writing signed by both parties, subject to the limitations contained in this paragraph. No amendment to this Agreement may be made that would violate, or would result in a violation or breach, of any term or condition of any bond or indenture agreement related to Toledo Water System Debt. Additionally, neither Toledo or the Contracting Jurisdiction shall agree to any amendment or modification to this Agreement that (i) relates to the determination of the Wholesale Rate and/or Common To All Components and Costs, or (ii) relates to the operation or responsibility of the Regional Water Commission, or (iii) would negatively affect the material rights or obligations of any other Contracting Jurisdiction, unless agreed to and signed by all Contracting Jurisdictions to a Uniform Water Purchase and Supply Agreement with Toledo. Further, Toledo and the Contracting Jurisdiction may only amend this Agreement after providing not less than thirty (30) days written notice of any proposed amendment to the members of the Regional Water Commission. If the Regional Water Commission or another Contracting Jurisdiction does not object to a proposed amendment as violating the provisions of this paragraph within the notice period, then the Regional Water Commission and all other Contracting Jurisdictions shall be deemed to have waived any objections to such amendment and no other approvals shall be necessary.

C. Nothing herein prohibits Toledo from executing water purchase and supply agreements with additional jurisdiction(s) as new and additional Contracting Jurisdictions upon terms and conditions consistent with those set forth in this Agreement.

SECTION 10. MUTUAL RELEASE OF THE PARTIES

To the extent permitted by law, and subject to the immunity provisions of Chapter 2744 of the Ohio Revised Code and the immunity provisions of Michigan Compiled Laws §691.1401, et seq., the Contracting Jurisdiction shall be liable for, and shall release and hold Toledo harmless from, liability, loss, injury (including death), costs (including reasonable attorney fees) and damages caused by or arising out of Contracting Jurisdiction's willful misconduct or negligence in connection with this Uniform Water Agreement. To the extent permitted by law and subject to the immunity provisions of Ohio Revised Code Chapter 2744 of the Ohio Revised Code, Toledo shall be liable for, and release and hold Contracting Jurisdiction harmless from, any liability, loss, injury (including death), costs (including reasonable attorney fees), and damages caused by or arising out of the negligence or willful misconduct of Toledo in connection with this Uniform Water Agreement. Where liability, loss, injury, costs or damages arise from the willful misconduct or negligent acts or omissions of both the Contracting Jurisdiction and Toledo, each party shall be liable only to the extent of each party's own willful misconduct, negligence or omissions. Nothing herein creates any rights in any third party, nor impacts or in any way negates any liability protections or exceptions applicable to either the

Contracting Jurisdiction or Toledo pursuant to Ohio Revised Code Section 6109.35 and Michigan Compiled Laws §691.1401, et seq.

SECTION 11. SEVERABILITY & CHALLENGES

A. In the event any provision of this Uniform Water Agreement shall be held to be invalid, illegal or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof and such invalid, illegal or unenforceable provision shall be deemed enforceable to the fullest extent permitted by law.

B. If any substantive provision of this Uniform Water Agreement is found to be invalid, then such provision shall be modified and construed in a form most reasonable to Toledo and the Contracting Jurisdiction, consistent with such finding of invalidity, in a fashion to continue the Agreement. If that cannot be done, then the parties shall agree to a modification or termination of this Agreement that is consistent with the original intent of the Toledo and the Contracting Jurisdiction and the outside water policy of Toledo City Council as same may be enacted and/or amended from time to time.

C. In the event this Uniform Water Agreement, or any of its terms, conditions or provisions, is challenged by any third party or parties in a court of law, the Toledo and the Contracting Jurisdiction agree to cooperate with one another in defending this Uniform Water Agreement with the intent of upholding this Agreement. Unless otherwise mutually agreed, each party shall bear its own costs in any such proceeding challenging this Uniform Water Agreement or any term or provision thereof.

D. In the event that one or more other water purchase and supply agreements between Toledo and other Contracting Jurisdictions are terminated, Toledo and the Contracting Jurisdiction shall continue to be bound by the terms of the Agreement and any amendments thereto.

SECTION 12. TERMINATION AND RENEWAL

A. Effective Date. This Uniform Water Agreement shall become effective on the Effective Date specified above.

B. Term. This Uniform Water Agreement shall expire on the forty (40) year anniversary of the Effective Date, or if this Agreement is renewed pursuant to the provisions for renewal detailed herein, at the end of the renewal term (the "Expiration Date"). This Agreement may be terminated prior to the Expiration Date upon the earlier of: (i) the effective date of a mutual agreement of Toledo and the Contracting Jurisdiction for its termination, (ii) the date specified for its termination by a court of competent jurisdiction or (iii) the effective date of termination in accordance with the provisions of Section 8(G), (each a "Termination Date").

C. Supply of Water Upon Expiration or Termination. If Toledo continues to supply water to the Contracting Jurisdiction after the Expiration Date or Termination Date under Section 12(B), the Contracting Jurisdiction agrees to pay Toledo, in addition to all other applicable fees specified under this Agreement, the then Wholesale Rate, plus a surcharge of up to 50% of the Wholesale Rate, each as adjusted thereafter from time to time. This provision shall survive the termination of this Agreement.

D. Responsibility for Proportionate Share of Common To All Outstanding Debt. Toledo and the Contracting Jurisdiction agree that if, as of the Expiration Date or Termination Date as defined Section 12(B), there is outstanding Common To All Toledo Water System Debt that was incurred on or after the Effective Date of this Agreement for Common To All Improvements (i) recommended by the Regional Water Commission or (ii) mandated by an EPA or (iii) included in a plan approved by an EPA, that Contracting Jurisdiction shall pay to Toledo amounts necessary to provide for the payment of the Contracting Jurisdiction's proportional share of such outstanding debt (the "Proportionate Share of Common To All Outstanding Debt") as of the Expiration Date or Termination Date, except as otherwise provided in this Section 12 or in Section 8(F). The Contracting Jurisdiction's Proportionate Share of Outstanding Common To All Debt shall be calculated as provided in Section 1(O). This provision shall survive the termination of this Agreement.

E. Renewal. Toledo and the Contracting Jurisdiction may enter into discussions, together and with the other Contracting Jurisdictions, to renew or extend this Uniform Water Agreement at any point that a majority of the members of the Regional Water Commission deem necessary or reasonable in order to (i) secure financing for needed improvements to Common To All Components of the Toledo Water System and/or (ii) to provide that outstanding Common To All Toledo Water System Debt may be retired during the term of this Agreement. However, if not initiated earlier, discussions to renew or extend this Agreement shall be initiated by March 1 in the calendar year in which the thirtieth (30th) anniversary year of the Effective Date of this Agreement occurs.

F. Notice Not to Renew. If at any time after the thirty-third (33rd) anniversary of the Effective Date, the Contracting Jurisdiction gives written notice to Toledo and to the Regional Water Commission of its election not to renew this Agreement and not to be a party to any extension of this Agreement, then the Contracting Jurisdiction shall not be liable after the forty (40) year Anniversary Expiration Date for payment of that portion of its Proportionate Share of Outstanding Common To All Debt that is incurred after the date the Contracting Jurisdiction gives written notice of its intent not to renew to Toledo. This provision does not relieve the Contracting Jurisdiction from paying any share of Common To All Toledo Water System Debt, regardless of when it was incurred, that is included in the Wholesale Rate charged for Toledo Water supplied and purchased by the Contracting Jurisdiction for the term of this Uniform Water Agreement.

G. Termination of Consents. The parties agree that upon (i) termination of this Agreement

and (ii) termination of any continued supply of surplus water by Toledo, directly or indirectly, to the Contracting Jurisdiction, easements, consents, and other terms of the Uniform Water Agreement solely related to Toledo's supply of water to Contracting Jurisdiction shall be withdrawn and terminate, except that any consents, licenses or easements related to Toledo's ownership of any water facilities within the Contracting Jurisdiction or its Service Area to supply another contracted jurisdiction shall survive the termination of this Uniform Water Agreement.

SECTION 13. REMEDIES

A. Should a material breach by the Contracting Jurisdiction occur and be continuing, Toledo after providing the Contracting Jurisdiction at least forty-five (45) days written notice prior to any action by Toledo to enforce this Agreement, may, in its sole discretion, pursue and enforce, successively or concurrently, any one or more of the following remedies:

1. An action for termination of this Agreement and for Toledo to recover from the Contracting Jurisdiction, at a minimum: (i) all accrued and unpaid amounts owing under the terms hereof; and (ii) all of Toledo's costs incurred to terminate (including reasonable attorney's fees and expenses), iii. Contracting Jurisdiction's estimated proportional share of Common To All Toledo Water System Debt and estimated contribution to Common to All Costs chargeable to the Wholesale Rate, based on the Contracting Jurisdiction's water usage up to the point of termination, for the balance of term of this Agreement to the Expiration Date as specified in Section 12(B).

2. Any other remedy Toledo may otherwise have under this Uniform Water Agreement, at law, in equity or under any statute, rule or regulation, and recover such other actual damages as may be incurred by Toledo.

3. Toledo's pursuit and enforcement of any one or more remedies hereunder shall not be deemed an election or waiver of any other remedy.

B. Should a material breach by Toledo occur and be continuing, the Contracting Jurisdiction, after providing Toledo at least forty-five (45) days written notice prior to any action by Contracting Jurisdiction to enforce this Agreement, may, in their sole discretion, pursue and enforce, successively or concurrently, any one or more of the following remedies:

1. An action for termination of this Agreement and for the Contracting Jurisdiction to recover from Toledo, at a minimum, all of the Contracting Jurisdiction's costs incurred to terminate this Agreement, including but not limited to its attorney fees and litigation expenses.

2. Any other remedy the Contracting Jurisdiction may otherwise have under this Uniform Water Agreement, at law, or in equity or under any statute, rule or regulation,

and recover such other actual damages as may be incurred by the Contracting Jurisdiction.

3. The Contracting Jurisdiction's pursuit and enforcement of any one or more remedies hereunder shall not be deemed an election or waiver of any other remedy.

4. In the event that the Uniform Water Agreement is terminated, prior to the Expiration Date as defined in Section 12(B), due to a material breach committed by Toledo, the Contracting Jurisdiction shall not be liable for its Proportionate Share of Common To All Outstanding Debt under Section 12(D).

C. Nothing herein shall limit a party's right to obtain any provisional remedy including, without limitation, injunctive relief, writ for recovery of possession or similar relief from any court of competent jurisdiction, as may be necessary in that party's sole subjective judgment to protect its rights.

D. Force Majeure. Neither party hereto shall be considered in default in respect to any material obligations hereunder if prevented from fulfilling such obligations due to conditions beyond their reasonable control (an "Event of Force Majeure") or due to changes in state or federal law. If a party is unable to perform in whole or in part because of such condition or change in law, the Party shall diligently and promptly take reasonable steps to allow it to perform. The parties expressly acknowledge and agree that the inability or preclusion of Toledo or the Contracting Jurisdiction to perform in whole or material part, this Agreement caused by an order or directive of a federal or state governmental authority or a court with jurisdiction shall constitute an event of Force Majeure or change in law event hereunder. In the event either party is rendered unable by Force Majeure to carry out any of its obligations under this Agreement, in whole or in part, then the obligations of that party, to the extent affected by the Force Majeure shall be suspended during the continuance of the inability, provided however, that due diligence is exercised to resume performance at the earliest practical time. As soon as reasonably possible after the occurrence of the Force Majeure relied upon to suspend performance, the party whose contractual obligations are affected thereby shall give notice and full particulars of the Force Majeure to the other party. The parties shall fully cooperate to the extent possible to limit and/or mitigate any negative effects of an event of Force Majeure with respect to the supply of water under this Agreement and impact on the Toledo Water System and all Contracting Jurisdictions water distribution systems.

SECTION 14. FAVORED NATION CLAUSE

In the event that Toledo has an agreement or enters into an agreement with another political subdivision outside of Toledo for the sale of water at a wholesale rate lower than the Wholesale Rate provided to the Contracting Jurisdiction herein, the Contracting Jurisdiction shall enjoy, at its option, the lower rates. This provision does not apply during the Rate Transition Period.

SECTION 15. GENERAL PROVISIONS

A. Binding Effect. This Uniform Water Agreement shall inure to the benefit of, and shall be binding upon, the Contracting Jurisdiction and Toledo and their respective successors and permitted assigns. Nothing in this Uniform Water Agreement, express or implied, is intended to confer upon any person, other than the parties hereto and their successors, any rights or remedies under or by reason of this Uniform Water Agreement. This Uniform Water Agreement is not for the benefit of, and may not be enforced by, any third party.

B. Governing Law. It is mutually agreed by Toledo and the Contracting Jurisdiction that the laws of the State of Ohio shall govern and control the validity and effects of the Uniform Water Agreement, and the rights and obligations of the parties hereto.

C. Venue. The parties agree and consent to jurisdiction and venue with respect to the interpretation and enforcement of this Agreement in Lucas County, Ohio or the appropriate federal district court for the Northern District of Ohio, Western Division, where jurisdictional requirements are met. The parties unconditionally submit to the jurisdiction of such court with respect to each such action and each party hereby waives any objection the party may now or hereafter have to the venue of any such action brought in such court.

D. Captions and Headings. The captions and headings of this Uniform Water Agreement are for convenience of reference only and shall not define or limit any of the terms or provisions hereof.

E. Counterparts. This Uniform Water Agreement may be executed in any number of counterparts and by each party in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

F. Waiver. No waiver of any provision of this Uniform Water Agreement shall be valid unless the same is in writing and signed by the party against whom it is sought to be enforced. No waiver of any provision of this Water Agreement at any time will be deemed a waiver of any other provision of this Water Agreement at any time nor a waiver of such provision at any other time, including any subsequent breach or breaches by that party of the same or any of the other terms or provisions of this Water Agreement at any subsequent time(s).

G. Notices. Any notice, bill or other communication required or permitted to be given hereunder shall be in writing and shall be given by personal service or by mailing the same by United States certified mail, return receipt requested, postage prepaid, addressed, to the parties at their respective addresses as follows, or to such other address as either party hereto, by written notice to the other, may designate from time to time:

To Toledo:
City of Toledo
c/o Director of Public Utilities
420 Madison Ave.
Toledo, OH 43604

With a copy to:
City of Toledo
c/o Director of Law
One Government Center
Toledo, OH 43604

and

City of Toledo
Law Department – Utilities Section
420 Madison Ave., Ste. 100
Toledo, OH 43604

To the Contracting Party
Lucas County Commissioners

With a copy to:

H. Survival. Notwithstanding termination hereunder, this Uniform Water Agreement shall survive for the purposes of enforcing the duties and obligations of the respective parties subsequent to said termination.

I. Further Assurances. Toledo and the Contracting Jurisdiction agree to take all further actions and execute, acknowledge and deliver all further documents that are reasonably necessary or useful in carrying out the purposes and intent of this Water Agreement.

J. Entire Agreement. This Uniform Water Agreement evidences the entire agreement of the parties hereto with respect to the subject matters herein. This Agreement embodies all representations, obligations, agreements and conditions in relation to the subject matter hereof, and of representations, obligations, understandings, or agreements, oral or otherwise, in relation thereto existing among the parties except as herein expressly set forth.

K. Debt Obligations. Nothing in this Uniform Water Agreement shall be construed as reducing the City of Toledo's ability to meet outstanding debt obligations for Common To All Components of the Toledo Water System or to comply with covenants in all related financing documents. It is understood and agreed that Toledo retains the absolute right to adjust water rates as

may be required to comply with contractual or statutory debt obligations.

L. Development Agreements. This Uniform Water Agreement shall not operate to terminate or void any joint economic development agreement, or any provisions contained in prior water agreements as referenced in Section 2, including any joint economic development zone agreement, joint economic development district agreement or cooperative economic development agreement (“Development Agreement”), that has previously been entered into by and between Toledo and the Contracting Jurisdiction or by and between Toledo and a jurisdiction that shall continue to be provided water hereunder, whether directly or indirectly. All such Development Agreements shall continue in accord with their respective terms, and any requirement for the provision of water or water services by Toledo as part of any Development Agreement shall be deemed met by the provision of water under this Agreement, whether provided directly or indirectly.

M. Charter Amendment. In the event that the Toledo City Charter is amended in any way that impacts this Uniform Water Agreement, including but not limited to amending the Regional Water Commission’s role or the make-up of its members or other provision of Charter Section XV as enacted, the terms of this agreement shall continue in full force regardless of said amendment until this Agreement is terminated.

N. Representations. Toledo and the Contracting Jurisdiction each separately and respectively represent and affirm to the other that that: (i) it has the authority to enter into this Agreement and perform the obligations hereunder; (ii) that in entering into this Agreement it does not breach any other material agreements to which it is a party; and (iii) it has taken all actions necessary under its charter, rules, bylaws, and applicable state and local laws to obtain approval of this Agreement, including any necessary approval by its legislative authority or governing body. Each party’s representations under this Section 15(N) are material inducement to the other for entering into this Agreement. Breach of any of the representations herein by a party shall constitute a failure to comply with the respective party’s material obligations under this Agreement.

[REMAINDER OF PAGE INTENTIONALLY BLANK]

IN WITNESS WHEREOF, the parties have executed this Water Agreement effective on the date first written above:

Approved as to form:

IN WITNESS WHEREOF, the parties have executed this Water Agreement effective on the date first written above:

CITY OF TOLEDO:

Mayor

Approved as to form:

Approved as to content:

Department of Law

Director of Public Utilities

LIST OF EXHIBITS

- EXHIBIT A:** Toledo Charter Ch. XV
- EXHIBIT B:** Toledo Ord. xxx-19, authorization to enter into the Uniform Water Agreement
- EXHIBIT C:** [Contracting Jurisdiction] [Ord.Res No.], authorization to enter into the Uniform Water Agreement
- EXHIBIT D:** Common To All Costs and Basis for Wholesale Rate
- EXHIBIT E** Baseline Methodology for Calculation of Cost of Service (*Included to demonstrate methodology only. Costs and allocations will change over time based on actual and current costs of service*)
- EXHIBIT F:** Service Area Map
- EXHIBIT G:** Contracting Jurisdiction's Existing Water Agreement with Toledo
- EXHIBIT H:** Rate Transition Period -- Annual Change In Rates
- EXHIBIT I:** Connection Points, Meter Locations and Accommodation Taps
- EXHIBIT J:** Water Volume Limits
- EXHIBIT K:** Additional Distribution Charges for Contracting Jurisdiction Receiving Water through Another Contracting Jurisdiction's Water Distribution System

EXHIBIT A

TOLEDO CHARTER CHAPTER XV

CHAPTER XV REGIONAL WATER COMMISSION

Section 241. Regional Water Commission - Formation.

There is hereby established a Toledo Regional Water Commission.

(Added by electors 11-6-18)

Section 242. Regional Water Commission - Composition.

The Regional Water Commission shall be comprised of Toledo director in charge of public utilities and the director/commissioner in charge public utilities from each contracting community. If a contracting community does not have an employee designated as a director or commissioner of public utilities that community will designate a non-elected officer whose official responsibilities include oversight of water distribution to serve on the Commission. A second Toledo official with direct responsibility for the water treatment facilities shall also serve on the Commission. All members shall serve in an *ex officio* capacity. For purposes of this Section, "contracting community" shall mean each political subdivision that has entered into a Uniform Water Purchase and Supply Agreement for an initial term of not less than 20 years with the City.

(Added by electors 11-6-18)

Section 243. Regional Water Commission - Officers; Meetings; Voting.

The Toledo Regional Water Commission shall convene from time to time but not less than once per year.

The Toledo Regional Water Commission annually shall designate one of its members as president and one of its members as secretary. Either the President or the Secretary must be a Toledo representative. The President shall preside over the meetings of the Regional Water Commission. The Regional Water Commission may appoint such additional officers as it deems necessary and appropriate.

Meetings of the Toledo Regional Water Commission shall be open to the public and shall be held in accordance with laws of the State of Ohio governing official public meetings.

A majority of the Commissioners shall constitute a quorum. Unless otherwise provided by a water purchase and supply agreement between the City and the contracting communities, any measure before the Commission shall be passed only when it receives an affirmative vote of a majority of the members.

(Added by electors 11-6-18)

Section 244. Regional Water Commission - Powers and Duties.

The Regional Water Commission may submit a proposed water rate adjustment to the Clerk of Council. Upon receipt of the proposed water rate adjustment from the Regional Water Commission, the Clerk of Council shall incorporate the proposed water rate adjustment into an ordinance that adjusts existing rates. That ordinance shall be placed on the Council's next agenda. Unless three-fourths of the Council votes to reject the ordinance within forty-five (45) days after it is placed on the agenda, the ordinance will be deemed to have passed.

The Toledo Regional Water Commission also shall review the Capital Improvement Budget of the City's water utility and may submit any amendments it deems necessary for the efficient and effective operation of the water utility to the Clerk of Council. So long as the cost of any proposed capital expenditures are supported by the existing and projected water rates of the City, the Clerk of Council shall incorporate an amendment to the Capital Improvement Budget into an ordinance to be placed on the Council's next agenda. Unless three-fourths of the Council votes to reject the ordinance within forty-five (45) days after it is placed on the agenda, the ordinance will be deemed to have passed.

Any ordinance passed pursuant to this Section shall be subject to referendum on petition as provided by Section 81 of this Charter. Any ordinance that is deemed to have been passed pursuant to the Section shall not be subject to veto by the Mayor.

Nothing in this Section shall limit the authority of Council to enact legislation addressing utility rates to ensure the effective and efficient operation of the utility, including the impact of discounted rates offered to seniors, lead-line replacement, programs to assist low-income customers, and to provide for necessary maintenance and improvements, or as may be required to ensure compliance with debt repayment obligations of the water system and related covenants to lenders and trustees for the benefit of bondholders.

(Added by electors 11-6-18)

EXHIBIT B

TOLEDO ORDINANCE

EXHIBIT C

ORDINANCE/RESOLUTION OF CONTRACTING COMMUNITY

EXHIBIT D

COMMON TO ALL COST BASIS FOR WHOLESALE RATE

EXHIBIT D

COMMON TO ALL COST BASIS FOR WHOLESALE RATE (1)

Division	Section	Classification	Split (Retail/Wholesale)	Comments
Common to All Cost Allocation - Retail and Wholesale				
Not Common to All Cost Allocation - Retail Only				
DPU Fund 6078 - Utilities Administration Allocation to Water (47% water revenue vs total DPU revenue)				
Water Distribution	Collections	Water Service Tech	100/0	Serves retail customers only
		Field Services		
		Clerk Spec II	100/0	Serves retail customers only
		Foreman	100/0	Serves retail customers only
		Meter Readers	100/0	Serves retail customers only
		Supervisor-Field Serv	100/0	Serves retail customers only
	Water Service Tech	100/0	Serves retail customers only	
Utilities Administration				
	Accounting Float Pool	Clerk Spec I	100/0	Serves retail customers only
		Clerk Spec II	100/0	Serves retail customers only
		Supervisor- Accounting	100/0	Serves retail customers only
		Utility Accounts Tech	100/0	Serves retail customers only
		Mail Clerk	100/0	Serves retail customers only
	Acctg/Fin Analysis	Administrator-Admin Sr II	0/100	Serves master meter accounts
	Admin. Safety/Training	Administrator-Admin Sr I	71.8/28.2	Allocated based on consumption
		Safety & Training Spec	71.8/28.2	Allocated based on consumption
	Administration	Admin An 3	71.8/28.2	Allocated based on consumption
		Administrator-Public Sr II	71.8/28.2	Allocated based on consumption
		Commissioner-Public Services	71.8/28.2	Allocated based on consumption
		Director-Public Services	71.8/28.2	Allocated based on consumption
		Secretary 2	71.8/28.2	Allocated based on consumption
		Secretary 3	71.8/28.2	Allocated based on consumption
	Appeals/Collections/Legal	Clerk Spec I	100/0	Serves retail customers only
		Clerk Spec II	100/0	Serves retail customers only
		Legal Tech	100/0	Serves retail customers only
		Supervisor-Utility Adm.	100/0	Serves retail customers only
	Billing/Collections/Records	Clerk Spec I	80/20	Cost of service / division of time
		Clerk Spec II	80/20	Cost of service / division of time
		Industrial Account Clerk	80/20	Cost of service / division of time
		Manager-Public Serv.	80/20	Cost of service / division of time
		Supervisor-Utility Adm.	80/20	Cost of service / division of time
	Customer Service	Clerk Spec II	90/10	Cost of service / division of time
		Cust Serv Ctr Team Leader	90/10	Cost of service / division of time
		Manager-Public Serv.	90/10	Cost of service / division of time
		Supervisor-Utility Adm.	90/10	Cost of service / division of time
	DPU/SAP	Administrative Analyst 3	80/20	Cost of service / division of time
		Administrative Analyst 4	80/20	Cost of service / division of time
	Financial Analysis	Administrative Analyst 3	80/20	Cost of service / division of time
		Administrative Analyst 4	80/20	Cost of service / division of time
UA Expenses for Water			88.3/11.7	Allocated based on Fund 6078 Salary Sub-Total

(1) Specific cost items and split percentages / allocations of costs may change over time based on changes in consumption patterns, infrastructure and capital additions and/or changes in operations. This Exhibit will be adjusted periodically over the life of the Agreement based on actual operational line items, capital improvements and consumption to allocate Common To All Costs and maintain an effective cost of service based rate model.

EXHIBIT D

COMMON TO ALL COST BASIS FOR WHOLESALE RATE (1)

Division	Section	Classification	Split (Retail/Wholesale)	Comments
DPU Fund 6060 - Water Operating				
Uncollectible Expense			100/0	Retail expense only
Non - revenue water			80/20	Excess non billed leakage
Division of Water Distribution			71.8/28.2	Allocated based on consumption
Division of Sewer & Drainage			100/0	Water service kills
Division of Environmental Services			71.8/28.2	Allocated based on consumption
Division of Engineering Services			80/20	Pipe size/personnel division of time
Cash funded Capital Improvement Program			85/15	Trunk mains expensive to replace compared to 12" and smaller pipe
Services provided by Non-DPU Divisions				
Direct Expenses to be eliminated over transition period				
	Water Operating (Fund 6060)		71.8/28.2	Allocated based on consumption
	Admin Services (Fund 6078)		71.8/28.2	Allocated based on consumption
General Overhead (10%) HR, Legal, Finance, IT, etc.				
	Water Operating (Fund 6060)		71.8/28.2	Allocated based on consumption
	Admin Services (Fund 6078)		71.8/28.2	Allocated based on consumption
Memorandum of Understanding Aspects (Toledo only)				
Toledo Lead Line Replacement			100/0	Retail expense only
Water Assistance Program (1/2% of City operating revenues)			100/0	Retail expense only
Future Debt Service - Elevated Storage				
		Debt Service Beginning		
\$70,000,000	OWDA Elevated Storage	2024	71.8/28.2	Allocated based on consumption
Treatment Plant / Debt Service / Reserve				
Water Treatment			71.8/28.2	Allocated based on consumption
Deduct: Non-revenue water			71.8/28.2	Allocated based on consumption
General Fund Overhead		4000511STDSTD	71.8/28.2	Allocated based on consumption
General Fund Overhead		4000500STDSTD	71.8/28.2	Allocated based on consumption
Debt Service				
Existing			71.8/28.2	Allocated based on consumption
	Water Main Debt Service			
	Plant Debt Service			
	<u>Balance of remaining Water Treatment CIP</u>	<u>Debt Service Beginning</u>		
\$44,771,773	WSRLA Ozone Treatment	2022	71.8/28.2	Allocated based on consumption
\$23,908,388	OWDA Basins 5 & 6	2022	71.8/28.2	Allocated based on consumption
\$40,140,000	OWDA Basins 1 through 4	2023	71.8/28.2	Allocated based on consumption
\$36,628,000	OWDA Filter and Pipe Gallery	2024	71.8/28.2	Allocated based on consumption
\$40,000,000	Mun Revenue Bond	2020	71.8/28.2	Allocated based on consumption
\$100,000,000	OWDA Alt Water Source	2026	71.8/28.2	Allocated based on consumption
Replacement Reserve			71.8/28.2	Allocated based on consumption

(1) Specific cost items and split percentages / allocations of costs may change over time based on changes in consumption patterns, infrastructure and capital additions and/or changes in operations. This Exhibit will be adjusted periodically over the the life of the Agreement based on actual operational line items, capital improvements and consumption to allocate Common To All Costs and maintain an effective cost of service based rate model.

EXHIBIT E

BASELINE METHODOLOGY FOR CALCULATION OF COST OF SERVICE

EXHIBIT E

BASELINE METHODOLOGY FOR CALCULATION OF COST OF SERVICE (Year 2027 Illustration)

Division	Section	Classification	FTE's	2018 Annual	2027	Total Salaries	Water 47% of UA Fund	Cost Allocation		Total	Split (Retail/Wholesale)	Comments
				Salary	Annual Salary			Retail (Toledo/Lucas Co)	Wholesale			
Common to All Cost Allocation - Retail and Wholesale												
Not Common to All Cost Allocation - Retail Only												
DPU Fund 6078 - Utilities Administration Allocation to Water (47% water revenue vs total DPU revenue)												
Water Distribution	Collections	Water Service Tech	6	43,753	59,631	357,785.09	168,158.99	168,158.99	0.00	168,158.99	100/0	Serves retail customers only
	Field Services	Clerk Spec II	2	40,536	55,246	110,492.81	51,931.62	51,931.62	0.00	51,931.62	100/0	Serves retail customers only
		Foreman	1	49,210	67,068	67,068.18	31,522.04	31,522.04	0.00	31,522.04	100/0	Serves retail customers only
		Meter Readers	11	29,923	40,782	448,601.75	210,842.82	210,842.82	0.00	210,842.82	100/0	Serves retail customers only
		Supervisor-Field Serv	2	56,798	77,410	154,819.69	72,765.25	72,765.25	0.00	72,765.25	100/0	Serves retail customers only
		Water Service Tech	16	43,758	59,638	954,202.60	448,475.22	448,475.22	0.00	448,475.22	100/0	Serves retail customers only
Utilities Administration												
	Accounting Float Pool	Clerk Spec I	9	37,597	51,241	461,167.67	216,748.80	216,748.80	0.00	216,748.80	100/0	Serves retail customers only
		Clerk Spec II	2	40,536	55,246	110,492.81	51,931.62	51,931.62	0.00	51,931.62	100/0	Serves retail customers only
		Supervisor- Accounting	1	56,798	77,410	77,409.84	36,382.63	36,382.63	0.00	36,382.63	100/0	Serves retail customers only
		Utility Accounts Tech	1	40,536	55,246	55,246.41	25,965.81	25,965.81	0.00	25,965.81	100/0	Serves retail customers only
		Mail Clerk	1	33,119	45,138	45,137.80	21,214.76	21,214.76	0.00	21,214.76	100/0	Serves retail customers only
	Acctg/Fin Analysis	Administrator-Admin Sr II	1	73,473	100,136	100,136.16	47,063.99	0.00	47,063.99	47,063.99	0/100	Serves master meter accounts
	Admin. Safety/Training	Administrator-Admin Sr I	1	68,578	93,465	93,464.77	43,928.44	31,555.65	12,372.80	43,928.44	71.8/28.2	Allocated based on consumption
		Safety & Training Spec	1	56,798	77,410	77,409.84	36,382.63	26,135.17	10,247.46	36,382.63	71.8/28.2	Allocated based on consumption
	Administration	Admin An 3	3	64,315	87,655	262,964.23	123,593.19	88,782.18	34,811.01	123,593.19	71.8/28.2	Allocated based on consumption
		Administrator-Public Sr II	1	87,135	118,756	118,756.06	55,815.35	40,094.51	15,720.84	55,815.35	71.8/28.2	Allocated based on consumption
		Commissioner-Public Services	3	90,348	123,135	369,405.15	173,620.42	124,718.84	48,901.58	173,620.42	71.8/28.2	Allocated based on consumption
		Director-Public Services	1	110,424	150,497	150,496.58	70,733.39	50,810.77	19,922.62	70,733.39	71.8/28.2	Allocated based on consumption
		Secretary 2	1	42,380	57,760	57,759.59	27,147.01	19,500.84	7,646.17	27,147.01	71.8/28.2	Allocated based on consumption
		Secretary 3	1	49,706	67,744	67,744.18	31,839.76	22,871.84	8,967.92	31,839.76	71.8/28.2	Allocated based on consumption
	Appeals/Collections/Legal	Clerk Spec I	3	37,597	51,241	153,722.56	72,249.60	72,249.60	0.00	72,249.60	100/0	Serves retail customers only
		Clerk Spec II	1	40,536	55,246	55,246.41	25,965.81	25,965.81	0.00	25,965.81	100/0	Serves retail customers only
		Legal Tech	4	52,146	71,070	284,278.58	133,610.93	133,610.93	0.00	133,610.93	100/0	Serves retail customers only
		Supervisor-Utility Adm.	1	56,798	77,410	77,409.84	36,382.63	36,382.63	0.00	36,382.63	100/0	Serves retail customers only
	Billing/Collections/Records	Clerk Spec I	9	37,597	51,241	461,167.67	216,748.80	173,399.04	43,349.76	216,748.80	80/20	Cost of service / division of time
		Clerk Spec II	4	40,536	55,246	220,985.63	103,863.25	83,090.60	20,772.65	103,863.25	80/20	Cost of service / division of time
		Industrial Account Clerk	2	43,753	59,631	119,261.70	56,053.00	44,842.40	11,210.60	56,053.00	80/20	Cost of service / division of time
		Manager-Public Serv.	1	68,923	93,935	93,934.97	44,149.44	35,319.55	8,829.89	44,149.44	80/20	Cost of service / division of time
		Supervisor-Utility Adm.	1	56,798	77,410	77,409.84	36,382.63	29,106.10	7,276.53	36,382.63	80/20	Cost of service / division of time
	Customer Service	Clerk Spec II	24	40,536	55,246	1,325,913.77	623,179.47	560,861.52	62,317.95	623,179.47	90/10	Cost of service / division of time
		Cust Serv Contact Ctr Team Leader	2	40,536	55,246	110,492.81	51,931.62	46,738.46	5,193.16	51,931.62	90/10	Cost of service / division of time
		Manager-Public Serv.	1	68,923	93,935	93,934.97	44,149.44	39,734.49	4,414.94	44,149.44	90/10	Cost of service / division of time
		Supervisor-Utility Adm.	2	56,798	77,410	154,819.69	72,765.25	65,488.73	7,276.53	72,765.25	90/10	Cost of service / division of time
	DPU/SAP	Administrative Analyst 3	2	64,315	87,655	175,309.49	82,395.46	65,916.37	16,479.09	82,395.46	80/20	Cost of service / division of time
		Administrative Analyst 4	1	68,578	93,465	93,464.77	43,928.44	35,142.76	8,785.69	43,928.44	80/20	Cost of service / division of time
	Financial Analysis	Administrative Analyst 3	1	64,315	87,655	87,654.74	41,197.73	32,958.18	8,239.55	41,197.73	80/20	Cost of service / division of time
		Administrative Analyst 4	4	68,578	93,465	373,859.10	175,713.78	140,571.02	35,142.76	175,713.78	80/20	Cost of service / division of time
		Sub-Total Fund 6078 Salary						3,361,787.58	444,943.47	3,806,731.04		
								88.3%	11.7%			
		UA Expenses for Water						2,426,133.90	321,106.68	2,747,240.58	88.3/11.7	Allocated based on Fund 6078 Salary Sub-Total
								\$5,787,921.48	\$766,050.14	\$6,553,971.63		5.3%
								88.3%	11.7%			Percent of Total System Expense
Fund 6078 Total												
Percent of Fund 6078												

EXHIBIT E

BASELINE METHODOLOGY FOR CALCULATION OF COST OF SERVICE (Year 2027 Illustration)

Division	Section	Classification	FTE's	2018 Annual Salary	2027 Annual Salary	Total Salaries	Water 47% of UA Fund	Cost Allocation		Total	Split (Retail/Wholesale)	Comments
								Retail (Toledo/Lucas Co)	Wholesale			
DPU Fund 6060 - Water Operating												
Uncollectible Expense								813,164.53	0.00	813,164.53	100/0	Retail expense only
Non - revenue water								1,178,302.17	294,575.54	1,472,877.72	80/20	Excess non billed leakage
Division of Water Distribution								9,205,412.83	3,609,391.96	12,814,804.78	71.8/28.2	Allocated based on consumption
Division of Sewer & Drainage								146,645.03	0.00	146,645.03	100/0	Water service kills
Division of Environmental Services								596,085.70	233,721.94	829,807.64	71.8/28.2	Allocated based on consumption
Division of Engineering Services								975,365.94	243,841.49	1,219,207.43	80/20	Pipe size/personnel division of time
Cash funded Capital Improvement Program								6,800,000.00	1,200,000.00	8,000,000.00	85/15	Trunk mains expensive to replace compared to 12" and smaller pipe
Fund 6060 Total								\$19,714,976.20	\$5,581,530.92	25,296,507.13		20.6%
Percent of Fund 6060								77.9%	22.1%			Percent of Total System Expense
Services provided by Non-DPU Divisions												
Direct Expenses to be eliminated over transition period												
		Water Operating (Fund 6060)	**Streets, Bridges & Harbor, Law, HR					746,029.90	292,514.24	1,038,544.14	71.8/28.2	Allocated based on consumption
		Admin Services (Fund 6078)						288,524.93	113,129.04	401,653.97	71.8/28.2	Allocated based on consumption
General Overhead (10%) HR, Legal, Finance, IT, etc.												
		Water Operating (Fund 6060)						999,913.45	392,060.59	1,391,974.03	71.8/28.2	Allocated based on consumption
		Admin Services (Fund 6078)						285,173.09	111,814.81	396,987.90	71.8/28.2	Allocated based on consumption
Total Services provided by Non-DPU Divisions								2,319,641.37	909,518.68	3,229,160.05		2.6%
Percent of Total Non-DPU Divisions								71.8%	28.2%			Percent of Total System Expense
Memorandum of Understanding Aspects (Toledo only)												
Toledo Lead Line Replacement								2,000,000.00	0.00	2,000,000.00	100/0	Retail expense only
Water Assistance Program (1/2% of City operating revenues)								250,000.00	0.00	250,000.00	100/0	Retail expense only
Total MOU Aspects								2,250,000.00	0.00	2,250,000.00		1.8%
Percent of Total MOU Aspects								100.0%	0.0%			Percent of Total System Expense
Future Debt Service - Elevated Storage												
		\$70,000,000 OWDA Elevated Storage	Debt Service Beginning 2024					2,961,122.24	1,161,039.82	4,122,162.06	71.8/28.2	Allocated based on consumption
Sub-Total Non Treatment Plant/Debt/Reserve Expenses								33,033,661.30	8,418,139.56	41,451,800.86		3.4%
Percent of Total Non Plant Expenses								79.7%	20.3%			Percent of Total System Expense
												33.7%
												Percent of Total System Expense

EXHIBIT F

SERVICE AREA

EXHIBIT G

EXISTING TOLEDO CONTRACT WITH CONTRACTING JURISDICTION

EXHIBIT H

RATE TRANSITION PERIOD, ANNUAL CHANGE IN RATES

EXHIBIT H
RATE TRANSITION PERIOD – ESTIMATED ANNUAL CHANGE IN RATES

Rate per 1,000 cf	Rate Transition Period	2020 Est	2021 Est	2022 Est	2023 Est	2024 Est	2025 Est	2026 Est	2027 Est
Sylvania	2020-2025	43.00	42.00	41.50	41.00	40.50	40.49	43.60	44.39
S. Monroe County	2020-2025	43.00	42.00	41.50	41.00	40.50	40.49	43.60	44.39
Wood Co (Ross, et al)	2020-2025	43.00	42.00	41.50	41.00	40.50	40.49	43.60	44.39
Fulton County	2020-2022	32.73	32.50	34.57	35.62	37.68	40.49	43.60	44.39
Whitehouse	2020	31.42	32.05	34.57	35.62	37.68	40.49	43.60	44.39
Wood Co Main NWWSD	2020-2027	24.88	27.61	30.37	33.13	35.89	38.88	41.64	44.39
Maumee	2020-2027	23.65	26.37	29.33	32.29	35.26	38.22	41.18	44.39
Perrysburg	2020-2027	23.30	26.06	29.08	32.09	35.10	38.12	41.13	44.39

Wholesale		31.42	32.05	34.57	35.62	37.68	40.49	43.60	44.39
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Toledo 1st Block	2020-2027	27.42	30.17	33.18	36.50	40.15	44.17	48.58	51.14
Toledo 2nd Block	2020-2028	15.27	16.79	18.47	20.32	22.35	24.59	27.05	29.75
Toledo Monthly Fixed	2020-2027	6.00	6.00	5.50	5.50	5.50	5.00	5.00	4.00
Lucas County 1st Block	2020-2027	43.00	42.00	41.50	41.00	40.15	44.17	48.58	51.14
Lucas County 2nd Block	2020-2028	43.00	42.00	41.50	35.00	30.00	24.59	27.05	29.75
Lucas Co Monthly Fixed	2020-2027	9.00	8.00	7.00	6.00	5.50	5.00	5.00	4.00

Est - Estimate

EXHIBIT I

ACCOMMODATION TAPS

EXHIBIT I
CONNECTION POINTS, METER LOCATIONS AND ACCOMODATION TAPS

Connection Point and Meter Location	Main Size	Meter Size
Fulton County, Ohio		
4500 Berkey Southern Road	24"	1-16" meter
Northwest Water & Sewer District		
202 Tracy Road	8"	1-6"meter
910 Sheffield Place	12"	1-8"meter
1824 Woodmore Street	24"	1-6"meter
1900 East Broadway Road	30"	1-16" meter
Libbey Road at I280	12"	1-8"meter
Wales Road Clearwell	16"	1-16" meter
South County Water System, Michigan		
6005 Lewis Avenue south of state line	24"	2-10" meters
5844 Detroit Avenue at Alexis Road	16"	1-16" meter
6200 Suder Avenue south of state line	12"	1-10" meter
6230 Summit Street south of state line	12"	1-10" meter
6300 Edgewater Drive south of state line	12"	1-8"meter 1-2"meter
City of Maumee		
Eastgate Road south of Heatherdowns	24"	20" meter
Eastgate Road north of Ohio Turnpike	24"	20" meter
Manley Road south of Ohio Turnpike (Emergency)	8"	1-8"meter
Anthony Wayne Trail south of Ohio Turnpike (Emergency)	10"	1-8"meter
City of Perrysburg		
Anthony Wayne Trail east of railroad overpass	16"	1-12" meter
Simmons Road and Bass Pro Boulevard	24"	1-16" meter
E River Road at Maumee/Perrysburg city limits (Emergency)	12"	1-6"meter

Connection Point and Meter Location	Main Size	Meter Size
City of Sylvania		
5040 N Holland Sylvania Road	20"	2-10" meters
6600 W Sylvania Avenue (Emergency)	8"	1-8"meter
Towpath Lane south of US23 (Emergency)	8"	1-6"meter
Sylvania Metamora at Winterhaven (Emergency)	12"	Unmetered
5150 Corey Road (Emergency)	8"	Unmetered
Village of Whitehouse		
8000 N Texas Street	16"	1-8"meter
8806 Dutch Road	12"	1-8"meter

ACCOMODATION TAPS

Location	Address	Meter Size
South County Water System, Michigan		
Erie	6339 Edgewater	1" meter
Lambertville	6208 Clover Lane	1" meter
Lambertville	6210 Clover Lane	5/8" meter
Lambertville	6218 Clover Lane	5/8" meter
Lambertville	6209 Herst Road	3/4"meter
Lambertville	6277 Secor Road	5/8" meter
Temperance	6210 Jackman Road	5/8" meter
Temperance	6232 Jackman Road	5/8" meter
Temperance	6233 Jackman Road	5/8" meter
Temperance	6251 Jackman Road	5/8" meter
Temperance	6261 Jackman Road	5/8" meter
Temperance	6271 Jackman Road	5/8" meter
Temperance	6281 Jackman Road	5/8" meter
Temperance	6315 Jackman Road	5/8" meter

EXHIBIT J

CONTRACTING JURISDICTION WATER VOLUME LIMITS

**EXHIBIT J
WATER VOLUME**

Contracting Jurisdiction	Average Day (MG)	Maximum Day (MG)
Fulton County, Ohio	3.5	6.0
Lucas County, Ohio	15.5	27.9
Northwest Water & Sewer District	5.0	9.0
South County Water System, Michigan	6.0	11.4
City of Maumee	2.0	4.0
City of Perrysburg	4.0	7.2
City of Sylvania	2.1	4.9
Village of Whitehouse	0.7	1.2

For information only (no contractual limit)

City of Toledo	42.4	59.8
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EXHIBIT K

**SERVICE CHARGES FOR JURISDICTION SERVED THROUGH
ANOTHER JURISDICTION'S DISTRIBUTION LINES**