

Southern Cayuga Lake Intermunicipal Water Commission

Bolton Point Water System

Towns of Dryden, Ithaca and Lansing

Villages of Cayuga Heights and Lansing

A Restated Agreement of Municipal Cooperation (AMC)

Entitled:

RESTATED AGREEMENT OF MUNICIPAL COOPERATION FOR CONSTRUCTION,
FINANCING AND OPERATION OF AN INTERMUNICIPAL WATER SUPPLY AND
TRANSMISSION SYSTEM

Dated 9/11/2017

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**RESTATED AGREEMENT OF MUNICIPAL COOPERATION FOR CONSTRUCTION,
FINANCING, AND OPERATION OF AN INTERMUNICIPAL WATER SUPPLY AND
TRANSMISSION SYSTEM**

THIS IS AN AGREEMENT of municipal cooperation (AMC), amended, restated, and consolidated as of __ (date) ____, among the TOWN BOARD OF THE TOWN OF DRYDEN, Tompkins County, New York, on its own behalf and on behalf of all of the Town of Dryden water districts, (hereinafter referred to as "Dryden"); the TOWN BOARD OF THE TOWN OF ITHACA,

Tompkins County, New York (hereinafter referred to as "Ithaca"); the TOWN BOARD OF THE TOWN OF LANSING, Tompkins County, New York, on its own behalf and on behalf of the Town of Lansing Consolidated Water District and all of its extensions (hereinafter referred to as "Lansing Town"); the VILLAGE OF LANSING (hereinafter referred to as "Lansing Village"); and the VILLAGE OF CAYUGA HEIGHTS, Tompkins County, New York (hereinafter referred to as "Cayuga Heights"); all of the parties hereto sometimes collectively or individually referred to hereinafter as "Member Municipalities" or "Member Municipality."

WITNESSETH:

WHEREAS, the Member Municipalities completed a study in 1972 of the desirability and feasibility of providing water services to the inhabitants of all or a part of each of the Member Municipalities, concluding that provision of such water services was desirable and feasible; and

WHEREAS, the Member Municipalities, in accordance with an Agreement of Municipal Cooperation for Construction, Financing, and Operation of an Intermunicipal Water Supply and Transmission System (AMC), dated February 25, 1974, constructed and presently operate and maintain a water supply and transmission system, heretofore known as Project I and Project II and now known collectively as the Bolton Point Water System (BPWS); and

WHEREAS, the indebtedness for construction of the original BPWS has been satisfied; and

WHEREAS, the BPWS has, in accordance with amendments and supplements to the AMC, expanded from time to time; and

WHEREAS, the Member Municipalities believe that expansion of certain or all components of the BPWS might be required to continue to serve the customers of the Member Municipalities and potential customers in non-member municipalities, and to provide for system reliability; and

WHEREAS, the Member Municipalities, pursuant to the authority contained in Article 5-G of the General Municipal Law (GML) of the State of New York and in Title 1-A of the Local Finance Law and pursuant to authority granted generally to Member Municipalities and water districts, wish to provide for the continued operation and maintenance of the BPWS; and for addition, expansion, and replacement of components of the BPWS as needed; and for the financing of such component additions, expansions, and replacements; and

WHEREAS, all of the Member Municipalities wish to further amend the AMC to reflect current circumstances;

NOW, THEREFORE, in consideration of the premises and provisions hereinafter set forth, the Member Municipalities mutually agree as follows:

1 Creation and Quorum of Commission. An executive body known as the "Southern Cayuga Lake Intermunicipal Water Commission" (hereinafter referred to as the "Commission") was created pursuant to the original AMC dated February 25, 1974. Said Commission consists of ten members. Each Member Municipality shall appoint two members to the Commission. Of the members so appointed, at least one member from each of the Member Municipalities shall be from the governing body of the Member Municipality. A quorum shall consist of six members of the Commission. The votes of a majority of the entire Commission membership shall be necessary for any affirmative action of the Commission. The members of the Commission shall serve at the pleasure of the appointing Member Municipality.

2 Officers of the Commission. The Commission shall elect its own Chair, Vice Chair, Secretary, and Treasurer, provided, however, that the Treasurer must be a fiscal officer of the Agent Municipality.

Duties of the Chair shall include presiding over Commission meetings and assuring that the Vice Chair is available to preside over Commission meetings from which the Chair is absent; calling for public participation during Commission meetings when considered appropriate; suggesting scheduling public hearings; ruling on passage or failure of motions and resolutions brought before the Commission and voting on any motion or resolution. Additionally, the Chair shall ensure that all members of the Commission have an equal opportunity to express their views during discussion of issues, appoint special committees of the Commission and assign committee chair's responsibilities, set the time and place for any special meetings of the Commission, represent

the Commission in public ceremony, issue press releases as required or deemed necessary, and serve as public spokesperson of the Commission to express approved policy of the Commission when called upon. The Chair, with the assistance of the General Manager, shall have the authority to contract, on behalf of the Member Municipalities, for the construction of any new project and to solicit bids and enter into construction contracts for same.

The duties of the Vice Chair shall include performing all duties of the Chair in the absence of the Chair. If for any reason the office of the Chair is vacant, the Vice Chair shall act in the place of the person until a new Chair is elected.

The duties of the Secretary shall include recording the actions of the Commission in regular or special meetings, preparing the agenda, receiving and preparing written correspondence, attesting the signature of the Chair on documents, certifying resolutions, receiving and filing statements, administering the oath of office to Commission members, if required, and performing other duties as directed.

The duties of the Treasurer shall include directing the General Manager in preparation of investment and financial reports to the Commission, serving as Chief Fiscal and Budget Officer of the Commission, directing the General Manager in the preparation of the annual Financial and Audit report, and assuring compliance with the Commission's investment policy. The Treasurer shall assure that provisions of this Agreement with respect to collection of revenues and payment of expenses are met. The Treasurer shall have primary authority to sign checks issued by the Commission and shall review and

recommend to the Commission and to the governing board of the Member Municipality represented by the Treasurer payment of Commission warrants and approval of all annual budgets following approval by the Commission. The Town of Ithaca Board approves all annual budgets. The Treasurer shall have all the authorities of a chief financial officer of any Member Municipality in connection with the issuance of indebtedness, including the authority to negotiate for a private sale of statutory installment bonds on behalf of the Member Municipalities, and the authority to arrange for the issuance of any bond anticipation notes or similar instruments.

3 Powers and Duties of the Commission. The Commission, insofar as is permitted by law, shall have the following powers and duties:

3.1 The overall responsibility for and supervision of the construction, operation, maintenance, management, and repayment of indebtedness incurred for the BPWS. Without limiting the foregoing, the Commission shall:

3.1.1 Arrange for engineering services, acquisition of necessary lands, easements, and rights of way, preparation of bid specifications, letting of bids, arranging and supervising construction, hiring of appropriate personnel or contracting with public or private corporations to manage, service and operate the BPWS, assessing to each party to this Agreement the portion of costs allocable to each party for the retirement of indebtedness and the costs of operation and maintenance in the manner hereinafter set forth, prepare budgets from which the foregoing assessments can be made, and provide for the acquisition of supplies, equipment,

materials and labor necessary to construct, operate, and maintain the BPWS;

3.1.2 Apply to the appropriate governmental authorities, including the United States Government and the government of the State of New York, for such financial and other aid (including loans or grants) that may be available for the BPWS;

3.1.3 Establish such rules and regulations as it deems advisable relating to the operation of the BPWS, including, without limitation, rules and regulations relating to required plumbing inspections prior to connection to the system, and rules for handling emergency breaks in lines served by the BPWS. Make connections or issue permits for connecting subject to the approval of the Member Municipality in which the connection is to be made;

3.1.4 Provide for the enforcement of its rules and regulations;

3.1.5 In the event of breaks in lines (whether in lines included in the BPWS or lines served by the BPWS) be empowered to shut off water to all or any part of a Member Municipality pending completion of appropriate repairs by the Commission or by the Member Municipality involved to the satisfaction of the Commission;

3.2 To hire its own personnel or in lieu thereof to contract with any of the Member Municipalities or any other municipality or governmental agency or political subdivision for provision of personnel services, use of equipment, use of supplies, etc., and the costs of such contract shall be included in the cost of the operation

of the BPWS that shall be assessable against the Member Municipalities in the manner set forth in Appendix A;

3.3 To make capital improvements to the BPWS subject to the approval and authorization of all the Member Municipalities and any federal, state, and local agencies as may be required;

3.4 To call, arrange, and conduct hearings in regard to the furnishing of water service and make determination of any issues thereat; to provide for the making of necessary inspections and the keeping of all records concerning the maintenance of the BPWS. The Commission shall make all necessary and required reports, including those required by Article 3 of the GML;

3.5 To adopt regulations, by vote of a majority of the appointed members of the Commission, as to the time of holding meetings of the Commission and notice required therefor;

3.6 To collect the necessary information for preparing and issuing bills for customers of the Commission and, at the option of the Commission, for preparing and issuing bills for customers of the Member Municipalities in accordance with instructions received from each Member Municipality;

3.7 To contract to provide services for any one or more of the Member Municipalities such as meter reading, maintenance of an individual Member Municipality's water lines, and other services;

3.8 To perform reviews in accordance with the State Environmental Quality Review Act and make related determinations regarding the Commission's actions and projects.

3.9 The governing bodies of the respective Member Municipalities may at any time delegate such other duties and responsibilities to the Commission as permitted by law and as mutually agreed.

4 Designation of Agent Municipality. If required by law to effectuate the purposes of this Agreement, the Member Municipalities agree to designate one of the governing bodies of the Member Municipalities to implement certain provisions of this Agreement by performing the following functions for the Commission: executing documents; acting as Employer of Record (including administration of payroll, benefits, acting as Civil Service and union liaison; assisting with hiring and termination actions, disciplinary actions, creating and dissolving positions, assisting with collective bargaining proceedings); coordinating insurance coverage; formally letting bids; and any actions that by law must be conducted by a governing body of a municipality and by law may not be conducted by or delegated to the Commission. Subject to the right to change same in the future by unanimous action of the Member Municipalities, the Town Board of the Town of Ithaca is hereby designated as agent for such purposes. Such designated Member Municipality shall be reimbursed by the Commission for all costs incurred by such Municipality in rendering such services including payroll and fringe benefit expenses. Such reimbursement shall be an expense of the Commission and shall be assessable against the Member Municipalities in accordance with Appendix A.

5 Financing of the Maintenance and Operation Costs of the BPWS.

Annually, on or before September 15 of each year, the Commission shall prepare a budget for the operation and maintenance costs of the BPWS, which shall be filed with the Commission's Treasurer and with the fiscal officers of each of the Member Municipalities. The Commission shall also estimate the revenues to be received for the coming fiscal year. Each Member Municipality's share of maintenance and operation costs for the next year shall be determined by that Municipality's water sales for that year so that each Member Municipality's share of maintenance and operation costs will automatically be allocated in the same ratio as the metered water consumed by that Municipality's customers to the total water sold by the BPWS, as outlined in Appendix A. The Treasurer of the Commission shall pay the operating and maintenance costs out of the funds so received.

6 Construction, Financing, and Operation of New Projects. In the event that the Commission determines the need for any new project, for which the Member Municipalities and the Commission have received a map, plan, and report prepared by an engineer duly licensed by the State of New York describing the proposed project; and the Member Municipalities concur with such need and wish to provide for the construction, operation, and maintenance of the proposed project; and the Member Municipalities intend to finance any part of the cost of such project by issuance of joint and several bonds, such bonds to be paid from water sales revenue; and the Member Municipalities and the Commission intend that the Commission contract for and oversee the construction and administer the operation, repair, and maintenance of

such project; the following provisions shall apply:

6.1 The costs of construction of any new project shall be financed by the issuance of not more than an amount approved by each of the five Member Municipalities of joint indebtedness for such project for which the joint faith and credit of the Member Municipalities shall be pledged. The obligation for such indebtedness shall be allocated among the Member Municipalities as stated in Appendix A. Each of the Member Municipalities shall take all steps necessary to provide for repayment of such obligations, including, without limitation, authorization of appropriate resolutions by each of the respective governing boards of each of the Member Municipalities, and the raising of the appropriate funds by taxation or otherwise. It is the intention of the Member Municipalities that the payment of principal and interest on said obligations shall be made by the Commission from its operating revenues as generated by the collection of water sales revenue, to the extent that such revenues are available during the payment term. If the current operating revenues are insufficient in any one year to make the payments of principal and interest, each of the Member Municipalities shall pay its proportionate share of the principal and interest in proportion to the amount of water consumed in each Member Municipality as outlined in Appendix A. Such payment shall be made to the Treasurer of the Commission at such times as the Commission shall determine, in order that payments are timely made on the principal and interest of the indebtedness incurred to finance such project. The funds so received by the Treasurer of the Commission shall be paid to the bond holders

or to the paying agent for the bond holders.

6.2 For the purposes of debt allocation as required by the Local Finance Law, the joint debt for the financing of any new project shall be allocated annually among the Member Municipalities in proportion to the water consumed by each of them from the BPWS as outlined in Appendix A. The allocation shall be determined by the Commission based upon such figures.

7 Fund Balance Surplus or Shortage.

7.1 Surplus. If the total revenues received by the Commission result in an operating fund balance over and above a reasonable amount to be used for operations, maintenance, and contingencies, the Commission may place such surplus monies in one or more funds such as a capital replacement fund, a rate stabilization fund, a capital improvement fund, and/or a capacity expansion fund.

7.2 Fund Balance Shortage. If the total revenues received by the Commission result in a fund balance below a reasonable amount to be used for operations, maintenance, and contingencies, the Commission shall, to the extent possible, make up such shortfall from a rate stabilization or other appropriate fund. If replenishing the operating fund balance to a reasonable level from another Commission fund is not possible, the Commission shall collect the necessary monies from the Member Municipalities as set forth in Appendix A. Such make-up of fund balance shortages shall be deemed a payment, not a loan. If a Member Municipality is unable to raise its portion of the fund balance shortage, it may make its own arrangements with another Member Municipality or lending institution to cover that share of the

fund balance shortage. The Member Municipalities agree to raise the monies required for each of their own shares as determined by the Commission and to pay the same in timely fashion. Without limiting the foregoing, the Member Municipalities agree to take such steps as may be appropriate or legally necessary to assess the real estate of each of the Member Municipalities or to establish water sales surcharges or water rate surcharges sufficient to raise the funds necessary to pay each party's allocable share of the operating and maintenance expenses. Even if the Member Municipality contests the allocation of a fund balance shortage to it, each Member Municipality agrees to pay the amount so allocated at the time determined. The Member Municipality so paying may reserve its rights to challenge such allocation by stating at the time of payment, in writing to the Treasurer of the Commission, that such payment is made under protest and the basis for the protest. Thereafter, notwithstanding such payment, the party may take any legal steps to implement review of such party's allocation.

8 Determination of Water Consumed. For the purpose of this Agreement, whenever reference is made to water consumed within a Member Municipality, the water referred to shall be only the water supplied by the BPWS. Meter installations shall be made for the purpose of monitoring water received from the system by customers. The consumption of water within each of the Member Municipalities to determine the amount payable by each Member Municipality shall be based upon the readings of such meters. If meters are inoperable or not available, such determination shall be based on estimates of

consumption obtained pursuant to standards established by the Commission as set forth in the most recent revision of the "Rules and Regulations of Southern Cayuga Lake Intermunicipal Water Commission." Each party hereto agrees to deliver such of its records pertaining to its own water systems (including readings) as the Commission may request to enable the Commission to make the foregoing determinations. The Commission may, at its option, read meters directly. Further, at the Commission's option, master meters may be installed at points of connection of the Commission's transmission lines to the distribution lines owned by each Member Municipality for the purpose of determining water consumed within each Member Municipality. At the Commission's discretion, the readings of such master meters may be substituted for the readings on customers' meters.

9 Delineation of Responsibility of Costs of Work and Services Performed by the Commission. The responsibility of the costs of work and services performed by the Commission shall be as follows:

9.1 Work and services provided by the Commission covered by Commission water sales revenue:

9.1.1 Water quality testing as required to meet New York State Department of Health (NYSDOH) standards;

9.1.2 Routine operating, monitoring, and minor maintenance activities associated with the municipal water distribution system, including monitoring of valves, hydrants, pressure reducing valves, and control valves in accordance with procedures established by the Commission and accepted by the Member Municipality;

9.1.3 Monitoring and maintaining the telemetry owned by the Commission;

9.1.4 Developing specifications for and overseeing customer meter settings;

9.1.5 Maintaining the Commission-owned meter and tail pieces of each municipal customer; customer-installed meter and tail pieces are dedicated to the BPWS upon final BPWS inspection of the initial service line and meter installation;

9.1.6 Securing water meter readings for regular and adequate billings;

9.1.7 Billing municipal customers for water consumption and sewer charges based on water consumption, and the Member Municipality for total water consumption and other chargeable services; performing sewer billings and related accounting services as requested;

9.1.8 Recordkeeping of billings, infrastructure changes and extensions, repairs, service events, and operational history;

9.1.9 Providing verbal and written distribution system status reports to the Member Municipality;

9.1.10 Performing water line mark-outs in accordance with Dig Safely New York (DSNY) criteria;

9.1.11 Maintaining BPWS-owned master (transmission main connection) meters. Member Municipality will install master meter settings in accordance with BPWS master meter assembly specification;

9.1.12 Payment of electric bills for pump stations that serve more than one Member Municipality;

9.1.13 Maintaining the following distribution system divisional valves connecting to the City of Ithaca distribution system: G0110M at Triphammer Road and Brook Lane; G0220M at Wyckoff Road and Highland Road.

9.2 Work and services performed by the Commission and paid for by the Member Municipality. Work and services to be charged using the latest Commission-approved schedule:

9.2.1 Providing sufficient personnel to supervise repairs of municipal water distribution system failures;

9.2.2 Upon request by the Member Municipality, providing for maintenance and repair of the municipal water distribution system;

9.2.3 Providing emergency response outside BPWS business hours to reported service interruptions of the municipal water distribution system according to "SCLIWC Distribution Department Standards of Service";

9.2.4 Monitoring and maintaining municipal water distribution system telemetry not owned by the Commission;

9.2.5 Providing construction observation under municipal supervision as requested, and bacteria testing of water system extensions and replacements;

9.2.6 Providing services not otherwise specified herein as requested by the Member Municipality and within the Commission's ability to perform upon majority vote of the Commission prior to initial implementation;

9.3 Work and services performed by the Commission and paid for by customers of the Member Municipalities, using the latest Commission-approved fee schedule:

9.3.1 Issuing and administering water connection permits;

9.3.2 Administering the Cross Connection Control Program;

9.3.3 Providing a limited category of repairs to customer-owned property;

9.3.4 Providing building sewer lateral connection inspection except connections to the Village of Cayuga Heights system;

9.3.5 Conducting New York State (NYS) Building Code inspections of all internal plumbing in accordance with the applicable NYS building code and administering the associated permits (Member Municipality may opt out of this item).

9.4 The following will be provided and paid for by the Member Municipality:

9.4.1 Distribution system replacements, improvements, and extensions in accordance with American Water Works Association (AWWA), NYSDOH, and BPWS standards;

9.4.2 Adequate labor, materials, and equipment to make timely repairs of municipal distribution system leaks and other deficiencies so as not to unduly waste Commission water or jeopardize the safe operation and integrity of the BPWS and Municipal water systems;

9.4.3 Enforcement of appropriate local, state, and federal rules and laws governing the supply of potable water and interior building plumbing;

9.4.4 Payment for the costs associated with extraordinary water leakage monitoring, locating, and control throughout the Municipal system (other than the routine water leakage monitoring in Paragraph 9.4.5) that is performed after consultation between the Member Municipality and the Commission;

9.4.5 Commission-approved master meter installations (piping, valves, vaults, and appurtenances as necessary) in those locations necessary to properly monitor water demand;

9.4.6 Collection of BPWS billings in Member Municipality.

10 Assignment of Personnel. If the Commission shall contract with any of the Member Municipalities for personnel services, any personnel of any Member Municipality assigned to perform such services shall continue to be employees of the Member Municipality from which they are assigned. All personnel so assigned and engaged in the operation or maintenance of the BPWS shall possess the same powers, duties, immunities and privileges they would ordinarily possess if they performed their duties for and in the Member Municipality by which they are employed. To the extent required by law, the applicable Civil Service rules and regulations shall be observed. Services provided by municipal personnel to the Commission might include, but not be limited to, services such as human resources and financial administration; and operation and maintenance of the BPWS.

11 Responsibility for Damage Claims and Insurance. In the event any liability is asserted against any of the Member Municipalities arising out of the construction, operation, or maintenance of the BPWS, the Member Municipalities shall be severally liable for the defense and

payment of such claims, the proportions being in accordance with Appendix A. The Commission, or any one of the Member Municipalities, may place or take out appropriate insurance against any such possible liability for protection and benefit of the Commission and each individual Member Municipality, and the premiums for any such Commission insurance policy are allocable among the Member Municipalities in accordance with Appendix A.

12 Title to Real Estate and Easements and Future Real Estate and Easement Costs Incurred by Member Municipalities. Title to the real estate and easements used in the BPWS has been taken by the Town of Ithaca, as the Agent Municipality, acting on behalf of itself and the other Member Municipalities, jointly associated through the Commission, pursuant to Article 5-G of the GML; each holding an undivided interest as outlined in Appendix A. Real estate titles and interest acquired in the future shall be held by the Town of Ithaca as Agent for the Commission, the Member Municipalities holding undivided interest in the same proportion. All real estate and easements obtained in connection with the BPWS shall be held and used only for the purposes of the BPWS unless the Member Municipalities agree otherwise. This limitation of use shall be binding upon the Member Municipalities and any of their successors in interest. After execution of this Agreement, the Member Municipalities individually may incur additional real estate- and easement-related expenses relative to the BPWS with the consent or approval of the other Member Municipalities. All of said costs shall be deemed to be costs of the BPWS and shall be reimbursed to the respective Member Municipalities

paying same upon presentation of an appropriate voucher therefor, and where necessary, appropriate documents of title transferring title of real estate, surveys, and appraisals, to the Member Municipalities jointly in the manner set forth above.

The road known as the Lake Access Road leading from Blackchin Boulevard to the water intake point on Cayuga Lake, and all appurtenances to said road, have been transferred to the Village of Lansing as set forth in the "Southern Cayuga Lake Intermunicipal Water Commission-Village of Lansing Intermunicipal Agreement," dated May 9, 2012. All rights of use, maintenance responsibilities, and liabilities shall be as set forth in that agreement.

13 Tax Exemption. To the extent permitted by law, each party agrees to take such steps as may be necessary to exempt from real property taxation any of the real property, real property improvements, easements, pipelines, filtration plant, or other facilities associated with the BPWS used by the Commission located within the municipal boundaries of such party, and further agrees, to the extent permitted by law, not to assess or levy taxes against such properties.

14 Accounting and Bonding. The Commission may require fiscal officers and other Commission members or employees who handle funds on account of the Commission to give a corporate surety bond for the faithful performance of their duties and a full accounting for all Commission monies handled by them, in such amounts as the Commission shall prescribe and which bonds shall be approved by the Commission as to form and sufficiency of surety. An endorsement on an existing

surety bond meeting the requirements set forth above shall be sufficient.

15 Future Water Districts. The Member Municipalities agree that, should new water districts be formed within the BPWS, or should a district be enlarged or extended, and should such new, enlarged, or extended district elect, water may be supplied to such districts from or through the BPWS provided that the BPWS has available water supply and transmission capacity to serve such districts, and provided that the governing board of the Member Municipality in which said district is located executes an agreement in form satisfactory to the Commission and counsel to the Commission pursuant to which the Member Municipality:

15.1 Describes the area of the district enlargement or extension to be served;

15.2 Agrees to pay the proportionate share attributable to the new district, enlargement, or extension, of the costs of operation and maintenance and principal and interest in accordance with Appendix A;

15.3 Agrees that the new district, district enlargement, or extension shall be bound by all of the rules, regulations, local laws, plumbing codes, and other similar rules, regulations, and laws in effect at the time governing the supplying of water by the Commission's facilities and governing the supply of water within the area served by the Commission;

15.4 Agrees that the Commissioners of the Member Municipality shall be the district's representation to the Commission.

15.5 A copy of such agreement indicating the name and the town in which such water district is located, signed by the Town Supervisor, shall be delivered to the Chairperson of the Commission with copies to the Town and/or Village Clerks of each of the five Member Municipalities. The Chairperson of the Commission shall submit the agreement to the next regularly scheduled meeting of the Commission at which, if the Commission has adequate water supply capacity, the Commission shall vote on supplying water to such district. If approved, the date of such approval (or such later date as may be agreed to by the Member Municipality and the Commission) shall be the date on which the new district shall be considered to be covered by this Agreement. From such date on, the district shall be subject to this Agreement and subject to the rules, regulations, and laws governing the Commission and the supplying of water by the Commission.

16 Provision of Water and Services to Non-Member Municipalities.

16.1 Notwithstanding any other provision of this Agreement, insofar as is permitted by law, the Commission may provide water to a Member Municipality ("Supplier") to be transmitted through the Supplier's water distribution system to a non-member municipality ("Receiver"). Such supply of water shall be the subject of an agreement between the Supplier and the Receiver. The Supplier-Receiver Agreement (SRA) shall be approved by the Commission and take into consideration, among other things, the potential of the non-member municipality's infrastructure to offer technical benefits to the BPWS and whether the proposed amount of water to be supplied to the

Receiver would cause the BPWS production limit specified in Paragraph 17, "Expansion of the BPWS Treatment Plant," to be met or exceeded. No supply of water shall be made to a non-member municipality until such agreement has been executed by the Supplier, the Receiver, and the Commission. The SRA shall specify the maximum amount of water per day, or other unit of time, acceptable to the Supplier, Receiver, and the Commission. The terms and conditions of the SRA shall be satisfactory to the Supplier and the Commission, and, at a minimum, shall include the following:

16.1.1 The Member Municipalities will retain all rights provided by this Agreement including the right to further amend and supplement this Agreement. A possible future amendment or supplement to this Agreement could increase or decrease the total flow allowable in gallons per day or other unit of time to be transmitted to the Receiver. A decrease might become necessary in the event that the rate of water production of the BPWS meets or exceeds the threshold set forth in Paragraph 17.

16.1.2 Except as expressly modified by this Section of this Agreement, each of the terms and provisions of this Agreement will apply to the sale of the additional water to the Supplier, and all other terms of this Agreement will remain in full force and effect and will be binding upon the Member Municipalities in accordance with the terms thereof.

16.1.3 The maximum amount of daily gallons the Commission will provide for transmission to the Receiver will not exceed the

amount set forth in the SRA between the Supplier and the Receiver without the written consent of the Commission.

16.1.4 The Supplier will be responsible for the quality of the water from the point it enters its distribution system to the point at which it enters the distribution system of the Receiver except to the extent the Supplier has contracted with the Commission to maintain its system and the failure of quality of the water is as a result of the Commission's negligence or wrongful willful act.

16.1.5 The Receiver will be responsible for the quality of the water once it enters the distribution system of the Receiver or any entity authorized by the Receiver to receive same (e.g., a water district formed within the corporate boundaries of the Receiver) and for its quality throughout the distribution system once it leaves the system of the Supplier.

16.1.6 The Receiver will not supply or resell any water obtained from the Commission's facilities to any third party municipality or other customer unless the Supplier and the Commission approve that supply and the terms of that supply in writing prior to the occurrence of any such re-supply or sale.

16.1.7 The Receiver and any entity distributing water supplied to the Receiver will operate their water systems in accordance with all federal, state, and local laws and requirements, including "Rules and Regulations Of Southern Cayuga Lake Intermunicipal Water Commission," in effect at that time. Without limiting the foregoing, the Receiver and/or the entities distributing water for the Receiver (hereinafter collectively included in the

references to "the Receiver") will adopt local laws regarding water connections, back-flow prevention, plumbing installations and similar matters as are required of the Member Municipalities.

16.1.8 There shall be installed a master meter and shut-off valve at the corporate line between the Supplier and the Receiver, or at a location as close as possible to such point as is mutually agreeable to the Supplier, the Receiver, and the Commission. Such installation shall be made by the Receiver at the expense of the Receiver. Such meter shall be the basis for billing for water supplied to the Receiver. The Commission shall read such meter at agreed upon intervals, or, failing agreement, at quarterly intervals.

16.1.9 The Commission reserves the right to suspend the supplying of water to the Receiver in the event the Receiver fails to comply with all applicable federal, state, and local laws, or the "Rules and Regulations of the Southern Cayuga Lake Intermunicipal Water Commission."

16.1.10 The Supplier will be billed for water supplied to the Receiver by the Commission at the rate set forth in the water rate in effect at the time such bill is prepared, being the same rate charged to all Member Municipalities by the Commission. Such bill will be delivered to the Supplier in accordance with the Commission's billing schedule in effect at that time. Nothing herein is intended to preclude the Supplier from billing and collecting the same, or differing, amounts from the Receiver.

16.1.11 The Member Municipalities reserve the right to change the Water Rate Schedule by unanimous mutual agreement.

16.1.12 In the event the capacity of the Commission's facilities or the water system of the Supplier is diminished for any reason whatsoever, temporarily or long-term, any SRA shall include the agreement of the Receiver that water will be supplied first to the existing customers of the Member Municipalities before being supplied to customers of the Receiver. If necessary to provide water to the Member Municipalities, the Commission and/or the Supplier may suspend or limit the supply of water to the Receiver until the capacity is restored.

16.1.13 The maximum term of the water supply agreement between the Supplier and the Receiver shall be set forth in the SRA. However, the SRA may provide for the parties to attempt to negotiate an extension or renewal of the SRA if the parties so desire. All extensions or renewals of the SRA shall be approved by the Commission.

16.1.14 The Receiver shall indemnify, hold harmless, and defend the Commission and the Member Municipalities, and their respective Commissioners, officers, agents, contractors, employees and elected officials from and against all claims, actions, suits, demands, damages, liabilities, obligations, losses, settlements, judgments, costs and expenses (including without limitation reasonable attorneys' fees and costs), whether or not involving a third party claim, which any or all of them may incur, resulting from injury or death to any person or persons or damage to property arising out of the provision of water pursuant to this Section, except to the extent the Commission is negligent, the Receiver's duty to indemnify shall

not extend to the proportion of loss attributable to the Commission's negligence.

16.1.15 Should the Receiver request the Commission to perform services for its water districts or customers, including such services as billing, repairs, maintenance, etc., the charges for such services and the manner in which they will be provided shall be the subject of a separate agreement between the Commission and the Receiver, such agreement to include the provision that service to Member Municipalities shall take precedence over service to the Receiver. The Commission shall not be obligated to provide such services.

16.2 Nothing herein is intended to preclude water being supplied to any other municipality or entity, such as the City of Ithaca or Cornell University, on an emergency basis upon terms and conditions (including payment) as may be agreed upon between the receiving entity, the Commission, and any Member Municipality through which water may flow from the BPWS to the water lines of the receiving entity, provided that at such times the Commission has adequate capacity to provide such water.

17 Expansion of the BPWS Treatment Plant. The BPWS is permitted by the NYS Department of Environmental Conservation (NYSDEC) to withdraw up to 6 million gallons per day (MGD) of water from Cayuga Lake. The treatment plant itself was designed to process up to 9 MGD. The NYSDOH permits the processing at a rate of up to 6.75 MGD, based primarily on the plant's filtration capacity. While current production is consistently below the NYSDOH limit, a future increase in production

might be required. If, under normal operating conditions, at any time the average daily production for any thirty day period meets or exceeds 4.5 million gallons, the Commission shall immediately begin to formulate a plan to expand the treatment plant's capacity. This plan shall consider both the technical and financial factors of the expansion and shall be processed in accordance with Paragraph 6, "Construction, Financing, and Operation of New Projects."

18 Additional Parties Hereto. Should the City of Ithaca, Cornell University, or any other entity formally indicate interest in becoming a party to this Agreement, the Member Municipalities agree to consider such interest and possibly include such entity as a party to this Agreement if all of the parties, including the existing parties to this Agreement and the entity seeking to become a party, are able to reach agreement on a basis for such entity to become a party hereto. Such basis may include, but is not limited to, a consideration of the following factors: an appropriate share payable by such entity for the costs of construction, operation, maintenance, and financing, whether previously or presently incurred; the legality of entering into an agreement with such entity; and the impact the inclusion of such additional entity would have upon the ability of the Commission to conduct its affairs as a municipal cooperative entity under Article 5-G of the GML, including the ability to issue bonds that are free from income taxation. Nothing herein is intended to exclude any other entity from becoming a participant in the water supply system, provided the Member Municipalities all concur in such participation. Further, nothing herein is intended to preclude the

exchange of water services in relatively small areas among the BPWS and other water systems, such as the City of Ithaca and Cornell University.

19 Authorization. The Member Municipalities represent and warrant that each Municipality's governing body has approved this Agreement and certify that all legal steps and approvals necessary to make this Agreement a binding agreement upon such party have been taken. Until the execution of this Agreement, the Member Municipalities shall continue to be governed by the Agreements and Modifications heretofore executed and presently in force.

20 Validation and Reliance. It is the purpose and intent of the Member Municipalities to make available an adequate supply of water to the Member Municipalities. Each Member Municipality agrees to complete all proceedings which are necessary to operate the BPWS and to carry out the provisions of this Agreement in accordance with all applicable requirements of law. The Member Municipalities agree to cooperate fully in acting jointly through this Agreement pursuant to Article 5-G of the GML. To provide the necessary authority for the financing, construction, operation, and supervision to accomplish such purposes, the Member Municipalities agree to amend or supplement this Agreement in the future to provide additional authority which may be deemed necessary to adequately and properly expand, maintain, operate, and supervise the BPWS. It is understood that each Member Municipality has and will incur costs, expenses, and liabilities in connection with all acts and proceedings required to implement this Agreement and that each Member Municipality will fulfill its

obligations of this Agreement in reliance upon the agreement of the other Member Municipalities to do the same.

21 Duration of Agreement and Future Amendments. This Agreement shall continue in force until amended by further agreement of all the Member Municipalities, or until December 31, 2052, whichever is earlier. This Agreement may be modified at any time by unanimous agreement of all Member Municipalities.

22 Settlement of Disputes. Any dispute between or among the Member Municipalities arising out of the application or interpretation of this Agreement shall be submitted to the Supreme Court of the State of New York in Tompkins County, New York, unless the Member Municipalities unanimously agree that a particular dispute may be submitted to an arbitrator for binding or non-binding arbitration.

23 Dissolution of the Commission. If the Commission is dissolved, its net assets or net liabilities, after sale of the Commission's assets, shall be allocated among the Member Municipalities in proportion to the water consumed by each of them from the BPWS during the latest 120-month period for which figures are available at the time of dissolution.

24 Illegality of Part of This Agreement. In the event that there shall be a final adjudication that any provision or provisions of this Agreement is, are, or shall be invalid, illegal, or contrary to public policy, such adjudication shall not affect any of the other provisions of this Agreement, and such other provisions shall continue in full force and effect.

APPENDIX A

Method of Allocation of Commission Liabilities and Assets and Payment of Water Sales Revenue

A.1 Liabilities and Assets. Liabilities and assets of the BPWS shall be allocated annually among the Member Municipalities in proportion to the water consumed by each of them from the water supply facilities of the BPWS during the latest twelve month period for which figures are available on August 15th of each year. Such liabilities include principal, interest, operating, and maintenance costs of the existing BPWS and new projects replacing or expanding system components; debt; fund balance shortages; and damage claims. Such assets include title to real estate and proceeds from dissolution of the Commission. Other unlisted liabilities and assets shall be allocated in the same manner.

A.2 Payment of Water Sales Revenue. Each of the Member Municipalities agrees to pay to the Commission an amount for water consumed from the BPWS in their own municipality in accordance with the current water rate schedule adopted by the Commission and the Member Municipalities. Any changes in the water rate and water rate structure applied to the Member Municipalities shall be approved by the Commission and each Member Municipality prior to implementation. The amounts so derived are herein referred to as "water sales revenues." Each Member Municipality shall have the option of raising such amounts by charging customers of the Member Municipalities in accordance with such water rate schedule or by assessments or by any other manner permitted by law. All of the water sales revenues shall

be delivered to the Treasurer of the Commission for application toward the principal and interest payments due on the indebtedness, if any, of the BPWS and the replacement, improvement, and operation and maintenance costs of the BPWS in proportion to the water consumed by each of them from the BPWS as outlined in this Appendix. Each Member Municipality also agrees to pay the Commission for water provided to non-member municipalities in accordance with Paragraph 16 of this Agreement.

The water sales payments required hereunder shall be made to the Commission or its Treasurer on the dates determined by the Commission.

Payments for services in addition to the water sales payments shall be made to the Commission or its Treasurer on the dates determined by the Commission.

APPENDIX B

Existing Water Districts in the Towns of Lansing and Dryden

B.1 Existing Water Districts in the Town of Dryden

Varna

Snyder Hill

Monkey Run

Hall Road

Turkey Hill

Royal Road

[New: Yellow Barn Road - not served by Bolton Point.]

B.2 Existing Water Districts in the Town of Lansing

Consolidated Water District

Extension #1: Lansing Station Road/Algerine Road

Extension #2: Drake Road

APPENDIX C

Agreements Authorizing Water Supply to Non-Member Municipalities in

Accordance with Paragraph 16

- Water Service Agreement, 10/30/2003, between Town of Ithaca (Supplier) and Town of Ulysses (Receiver) for sale of up to 159,000 GPD of water to T/U Water District #3.
- Water Service Agreement, 10/15/2013, between Town of Ithaca (Supplier) and Town of Ulysses (Receiver) for sale of up to 3,000 GPD to T/U Water District #4.
- Water-related Services Agreement, 12/08/2014, among Town of Ithaca, City of Ithaca, and the Commission for exchange of water services.
- Operation and Maintenance Agreement, 12/19/2014, between the Commission and Town of Ulysses.

APPENDIX D

Bolton Point Water System Components

Raw Water Pump Station (RWPS) (constructed 1976)

- Intake pipe and intake structure
- Zebra Mussel Control System (Approximately 1993)
- Emergency generator (2001)
- Chemical storage building (2014)

20-in. ductile iron pipe raw water main from RWPS to Water Treatment Plant (WTP) (1976)

Water Treatment Plant (1976)

- Distribution garage (1980s)
- Production garage (1980s)
- Materials Storage Building (1990s)
- Emergency generator (2001)
- Office wing addition and existing space remodel (2006) (two bond issues mature in 2024 and 2026)

20-in. ductile iron pipe finished water main from WTP to Burdick Hill Road tanks (BHRT), with valves and hydrants (1976)

Burdick Hill Road Tanks (BHRT)

- 0.9MG concrete water transmission storage tank (2012) (bond matures in 2032)
- 1.5MG concrete water transmission storage tank (2013)

Oakcrest Road Transmission Pumping and Control Valve Station (OPS) (1976) including building addition and natural gas engine (1997)

20-in. ductile iron pipe supply main from BHRT to OPS (1976)

18- and 16-in. Ductile Iron Pipe Discharge Transmission Main from OPS to Pearsall Place Pumping and Control Valve Station (1976)

- 16-in. ductile iron pipe from above transmission main at Ellis Hollow Road/Summerhill Road to East Hill tank (approximately 2005) (bond issue matures in 2026)
- 18-in. ductile iron pipe transmission main replacement in the Village of Lansing from Oakcrest Road to Pyramid Drive (2012) (bond matures in 2032)

0.5MG Sheldon Road steel distribution storage tank (1930s)

3.0MG East Hill concrete water transmission storage tank (2006) (bond matures in 2026)

GLOSSARY

AMC: Restated Agreement of Municipal Cooperation for Construction, Financing and Operation of an Intermunicipal Water Supply and Transmission System

AWWA: American Water Works Association

BHRT: Burdick Hill Road Tanks

BPWS: Bolton Point Water System (The water supply, treatment, and transmission facilities operated by the Southern Cayuga Lake Intermunicipal Water System)

Commission: Southern Cayuga Lake Intermunicipal Water Commission

DSNY: Dig Safely New York

EPA: Environmental Protection Agency

GML: General Municipal Law of the State of New York

MG: Million gallons

MGD: Million gallons per day

NYS: New York State

NYSDEC: New York State Department of Environmental Conservation

NYSDOH: New York State Department of Health

OPS: Oakcrest Pump Station

RWPS: Raw Water Pump Station

SRA: Supplier-Receiver Agreement

WTP: Water Treatment Plant

REFERENCES

Administrative Policies and Procedures Manual

Building Code of New York State

Local Law for Cross Connection Control

Negotiated Work Plans

New York Local Finance Law

New York General Municipal Law

Rules and Regulations of Southern Cayuga Lake Intermunicipal Water Commission

SCLIWC Distribution Department Standards of Service

Southern Cayuga Lake Intermunicipal Water Commission-Village of Lansing Intermunicipal Agreement - May 9, 2012 (regarding ownership and maintenance of the Lake Access Road)

Village of Lansing/SCLIWC - Route 13 Water Main Replacement Project