CONTRACT NO._____

RETAIL WATER SERVICE AGREEMENT
(Terrace Park)

This *Water Service* Agreement (this "**Agreement***")* is entered into effective on the Effective Date (as defined on the signature page hereof) by and between the CITY OF CINCINNATI, an Ohio municipal corporation through its Greater Cincinnati Water Works (GCWW), with offices located at 4747 Spring Grove Avenue, Cincinnati, OH 45232 ("**Cincinnati**"), and the Village of Terrace Park, Ohio, located at 428 Elm Ave., Terrace Park, OH 45174 ("**Terrace Park**").

RECITALS

A. Cincinnati owns and operates the Greater Cincinnati Water Works (GCWW), a city department and municipal water utility that treats and supplies water to properties within Cincinnati pursuant to Ohio Constitution Article XVIII, Section 4. Cincinnati is empowered pursuant to Ohio Constitution Article XVIII, Section 6 and Cincinnati City Charter Article IV, Section 9 to sell and deliver surplus water outside of the Cincinnati city limits as may be authorized by Cincinnati City Council. GCWW is licensed by the Ohio EPA to operate as the Cincinnati Public Water System, a R.C. Chapter 6109 public water system

B. Terrace Park is an Ohio municipal corporation empowered pursuant to Ohio Constitution Article XVIII, Section 4 to contract for water service for itself and its inhabitants.

C. Terrace Park currently receives retail water service from the City of the Village of Indian Hill ("**Indian Hill**"). Terrace Park desires to enter into a new water service agreement with Cincinnati whereby Cincinnati will: 1) transition retail water service from Indian Hill to Cincinnati, with transition completed by the date one year from Terrace Park's notice of termination to Indian Hill, 2) provide retail water service to Terrace Park for the remainder of the Term (as defined herein) following completion of the transition, and 3) construct additional infrastructure to ensure adequate fire flow service from Cincinnati to be completed by the date three years from Terrace Park's notice of termination to Indian Hill on the terms and condition provided herein. The transition of service will require the construction of infrastructure for two water service connections, one enabling the transition of retail water service, and the second to provide adequate fire flow to Terrace Park.

D. This Agreement is authorized by Terrace Park Ordinance no. _____dated _____ and Cincinnati City Council Ordinance no. _____dated _____.

NOW, THEREFORE, for and in consideration of the mutual promises, covenants and agreements contained herein, the parties do hereby agree as follows:

1. DEFINITIONS. Except as otherwise expressly indicated in this Agreement, the terms herein shall have the meaning defined in this Section 1 (*Definitions*).

A. Cincinnati Requirements. The Cincinnati ordinances (including, without limitation, applicable portions of the Cincinnati Municipal Code), laws, standards, specifications, engineering drawings, policies, and rules and regulations governing GCWW, as may be amended or changed by Cincinnati from time to time.

B. Cincinnati Water System. The water supply, production, treatment, transmission, storage, distribution, billing, collections and related facilities owned and/or operated by Cincinnati for itself, its inhabitants, and for all other areas served by Cincinnati, in accordance with powers conferred upon municipalities by the Ohio Constitution and the laws of the State of Ohio.

C. City Manager. The City Manager of Cincinnati.

D. Director. The Director of GCWW, also known as the Superintendent pursuant to the Charter of the City of Cincinnati.

E. Distribution Main. Any main intended primarily to serve properties abutting the street or road in which the main is laid.

F. GCWW shall mean the Greater Cincinnati Water Works, the department of the City of Cincinnati that operates the Cincinnati Water System.

G. Go-Live Date. The date on which the parties will have completed the transfer of water utility operations from Indian Hill to Cincinnati and retail water service from Cincinnati to Terrace Park has begun. The Go-Live Date is estimated to be January 1, 2028, approximately one year from the date of Terrace Park's notice of termination of the Indian Hill water service agreement, when the first connection is completed.

H. Service Area Infrastructure. The water storage, distribution, and related facilities currently owned and/or operated by Terrace Park for itself and its inhabitants, in accordance with powers conferred upon it by the Ohio Constitution and the laws of the State of Ohio. Terrace Park Service Area Infrastructure does not include fire hydrants.

I. Terrace Park Service Area. Also referred to as the "Service Area", shall mean the area so labeled on Exhibit A, which depicts all properties within the corporate limits of Terrace Park.

J. Transition Period. The period of time beginning with the start of the Term through the Go-Live Date and ending with the completion of the Little Miami Crossing water service connection to ensure adequate fire flow service from Cincinnati to Terrace Park, which is anticipated to be completed by the date three years from Terrace Park's

notice of termination to Indian Hill.

K. Water. Surplus treated water determined in Cincinnati's sole discretion not to be needed by Cincinnati or its inhabitants.

2. TERM; TERMINATION.

A. **Term.** The term of this Agreement shall commence on the Effective Date and extend for a term of forty (40) years and shall remain in full force and effect until midnight of December 31, 2066 ("**Expiration Date**", the effective period of this Agreement shall be referred to as the "**Term**"). During the year prior to the Expiration Date, Cincinnati will make best efforts to notify Terrace Park, and both parties agree to negotiate in good faith for a new agreement or an extension of the Term. If the Term is not extended, this Agreement will expire on the Expiration Date. Following the termination of this Agreement for any reason, Cincinnati may continue, but shall not be required, to provide water service to Terrace Park at rates to be established by Cincinnati in accordance with then existing laws.

B. **Termination.** From and after termination of this Agreement:

i. Cincinnati shall be entitled to retain ownership of any capital improvements constructed by Cincinnati as part of the Cincinnati Water System for the purpose of providing water service to Terrace Park that are determined, in Cincinnati's sole discretion, to be useful and/or necessary to the Cincinnati Water System; and

ii. Within a reasonable amount of time following termination, Terrace Park shall pay to Cincinnati:

a. the costs of any capital improvements within the Terrace Park Service Area (excluding any capital improvements funded from the Infrastructure Fund or from Surcharge Revenue remitted under Section 9(c)(Infrastructure Charge and Infrastructure Fund)) that are not retained by Cincinnati per Section 2(B)(i) above to the extent that debt service (principal and interest) remains unpaid or that the asset has not been fully depreciated, if applicable;

b. all associated and ongoing costs, if any, (including operation and maintenance, regulatory compliance, etc.) of such capital improvements, to fairly compensate Cincinnati for costs incurred by Cincinnati due to Terrace Park's discontinuation of water service; and

c. the costs to Cincinnati of transitioning Terrace Park to an alternate water service, including without limitation transfer of system,

engineering or customer billing/account information, installation of valves or other equipment.

iii. Once Terrace Park has paid to Cincinnati all amounts listed in Subsection 2(B)(ii), Cincinnati will transfer to Terrace Park ownership of those capital improvements within Terrace Park that have not been retained by Cincinnati pursuant to Subsection 2(B)(i).

iv. Following termination of this Agreement, for any capital improvements retained by Cincinnati pursuant to Section 2(B)(i), Cincinnati shall also retain the rights in Section 6(B)(*Acquisition/Use of Right-of-Way*) of this Agreement to use the easements and rights-of-way as long as the capital improvement is in use for Cincinnati Water System operations. Section 2(B) shall survive termination of this Agreement.

3. SUPPLY OF WATER NOT GUARANTEED. Water furnished under the terms and conditions of this Agreement is pursuant to Cincinnati's municipal authority under the Ohio Constitution to sell Water (defined above as surplus water). The Parties agree and acknowledge that the supply of Water to the Terrace Park Service Area, is at all times dependent upon the existence of a surplus of water beyond the amount of water needed for users located within the corporate boundaries of the City of Cincinnati. Except a) where a surplus does not exist; b) in the case of breaks in mains, serious damage to reservoirs or pumping equipment, or other emergencies or necessities (in which case the water may be shut off without notice); c) where an insufficient supply of water exists, or d) where insufficient water is available at the Connections, Cincinnati will use its best efforts to provide a potable, stable, and adequate supply of water to the Terrace Park Service Area. In the event of the occurrence of any of the conditions in the preceding sentence, Cincinnati shall have the right to allocate and prioritize Water service on a reasonable basis among the other non-Cincinnati political subdivisions served by Cincinnati (including those served by standby, wholesale or other water service), and there shall be no prior rights to service by reason of earlier date of contract. Cincinnati shall not be liable for any damages for its failure to furnish water, and in no event shall Cincinnati be liable for consequential or special damages by reason of any failure to furnish water or to maintain any minimum of water pressure, it being understood that the pressure and supply of water is not guaranteed to consumers.

4. RETAIL WATER SERVICE.

A. Retail Service. During the Term (as defined herein) and subject to the terms and conditions of this Agreement and the Cincinnati Requirements, Cincinnati shall provide Water and the water services described herein on a retail basis (including distribution, metering, billing, and collection) to the inhabitants and properties within the Service Area.

B. Restriction in Use. In recognition of the need to properly plan for an

adequate supply of finished water for the Cincinnati Water System users, the water supplied to the Service Area shall be restricted to usage within that area, as shown in **Exhibit A**, unless the expressed prior written consent of the Director is obtained.

C. In the event of the addition of property to the corporate limits of Terrace Park by merger, annexation, or otherwise after the Effective Date, Cincinnati shall have the right of first refusal to serve any such additional properties. Following Cincinnati's written approval of the application of such additional property to connect to the Cincinnati Water System, it shall become part of the Service Area subject to the terms of this Agreement and the Cincinnati Requirements.

D. Transition.

1. **Transition Responsibilities**. During the Transition Period, Terrace Park and Cincinnati will collaborate in the transfer of all water utility operations for the Terrace Park Service Area from Indian Hill to GCWW. GCWW will construct two connections as follows:
    a. *Wooster Connection*: This connection will enable the transition of retail water service from Indian Hill to GCWW within a year of Terrace Park's notice of termination to Indian Hill. Terrace Park shall continue arrangements with Indian Hill for standby service to meet fire flow needs.
    b. *Little Miami Crossing*: Once completed and in-service, the two connections will provide retail water service sufficient to meet Terrace Park's fire flow needs.

    The responsibilities of the parties and estimated schedule are listed in the attached **Exhibit B (*Transition Schedule*)** hereto. The parties acknowledge that Cincinnati will incur costs in performance of the transition activities outlined in Exhibit B in furtherance of this Agreement and agree that if Terrace Park terminates this Agreement prior to the end of the Transition Period, Terrace Park will reimburse GCWW for actual costs expended during the Transition Period, subject to the limitations set forth in Exhibit B (Section C, Estimated Cost).

2. **Transition Coordination.** Upon written request from the other, Parties shall timely provide all studies, reports, test results, hydraulic models, plans, specifications, drawings (including as-builts), and any other technical or operational information that the Party has generated or obtained in connection with the planning, design, permitting, or construction of the transition ("**Transition Data**").

3. **Ownership of Service Area Infrastructure.** As of the Effective Date, the Service Area Infrastructure is owned by Terrace Park. On the Go-Live Date, the ownership of and interest in the Service Area Infrastructure shall transfer to Cincinnati to become an asset of the Cincinnati Water System. The Parties shall cooperate to execute any

deeds or other asset transfer documents to transfer title of the Service Area Infrastructure to Cincinnati to document the transfer on or shortly following the Go-live Date, except as provided in Section 6(C) and (D) below.

E. Exclusivity. On and after the Go-Live Date, Terrace Park shall not furnish or contract with others to furnish Water to any property or inhabitant within the Service Area for domestic water use. Cincinnati Water System shall be the sole supplier and furnisher of Water to inhabitants and properties within the Service Area. If any property within the Service Area should subsequently be detached or annexed to another jurisdiction such that it is no longer under the jurisdiction of the Terrace Park, the parties agree that Cincinnati's exclusivity as to water service for such property shall not be waived, disturbed, altered or terminated, and Terrace Park agrees that it shall cooperate to ensure Cincinnati's continued exclusive right to service. Terrace Park acknowledges and agrees that Cincinnati's construction and continued capital improvements of a water system and appurtenances to serve the Service Area is a significant expense for which Cincinnati may incur debt and may rely on revenues from Terrace Park customers to service the debt during the Term.

For purposes of clarity, the parties intend that Terrace Park will continue to receive retail water service pursuant to its contract with Indian Hill until the Go-Live Date. Between the Go-Live Date and the date that the Little Miami Crossing is completed and placed in service, Terrace Park will maintain an emergency connection with Indian Hill to fulfill its fire flow requirements. Following initiation of operation of the Little Miami Crossing, the Service Area will be subject to the Exclusivity provisions of this section.

5. OWNERSHIP; LAWS.

A. Ownership. It is expressly agreed and understood by the parties that Terrace Park is contracting for the purchase of Water and other water related services under this Agreement and that nothing in this Agreement shall imply that Terrace Park has ownership in any portion of the Cincinnati Water System, which is expressly acknowledged to be the property of and under the control and operation of Cincinnati.

B. Control; Regulatory Compliance. The Cincinnati Water System is subject to strict federal, state, and local regulations related to the water system, including, without limitation, compliance with treatment and water quality requirements, management of the distribution system, billing and other standards related to the water system. Cincinnati is ultimately responsible for and shall have sole discretion to manage and operate the Cincinnati Water System, including but not limited to, capital improvements associated with the quality of water, water production or treatment facilities, water quality related equipment and facilities, decisions involving treatment techniques, rate setting, and billing and collections, including, without limitation, actions (i) for the protection of health, lives, or property, (ii) renovation, replacement, or upgrade of facilities and appurtenances, (iii)

to ensure compliance with applicable laws and regulations, and (iv) sound operation of the water utility. Because the Cincinnati Water System must operate as a whole to serve numerous jurisdictions, Cincinnati shall not be subject to the requirements of Terrace Park, or any other contracting jurisdiction, as to operation and management of the Cincinnati Water System.

C. Cincinnati Requirements Applicable. Unless otherwise specifically provided for herein, the Director is authorized to enforce within the Service Area and as to all Connections and Master Meters all applicable Cincinnati Requirements, now or hereafter lawfully in effect. Cincinnati may at any time change the Cincinnati Requirements. The materials and workmanship of all facilities connected to the Cincinnati Water System, including mains, reservoirs, tanks, pumping stations, and other works, shall conform to the engineering standards of GCWW (including the Cincinnati Requirements) as interpreted by GCWW. Any facilities connected or integrated into the Cincinnati Water System shall be subject to approval and inspection of the Director or their duly authorized representative and to GCWW inspection costs. Cincinnati shall have the right to exercise within the Service Area all authority granted under applicable federal, state, and local laws related to the operation and management of a municipal water utility.

6. WATER SYSTEM INFRASTRUCTURE

A. Improvements for Water System Purposes. Cincinnati will plan for and perform capital improvements to the Cincinnati Water System that are determined to be necessary in Cincinnati's sole discretion for the purpose of providing an adequate supply of Water throughout the Cincinnati Water System, including but not limited to construction of new tanks, pumps or other distribution facilities; extension of new distribution or transmission mains; and replacement, renovation, or upgrade of existing mains and other facilities. Cincinnati shall not be required to pay for capital improvements requested or required by Terrace Park or others that, as determined by the Director, are not necessary for the benefit of the Cincinnati Water System (for example, relocation to accommodate utility or road/transportation improvements or economic development), which shall be subject to the terms of Section 6(C)(*Requested Water Mains*) below.

B. Acquisition/Use of Rights-of-Way. Cincinnati shall have the right to use all existing rights-of-way in the Service Area, including those held under easements, whether used as highways, streets, and alleys, or unimproved when required for any purposes under this Agreement, including, but not limited to, the construction, operation, maintenance, repair, and replacement of water mains or other appurtenances of the Cincinnati Water System, which right shall not be terminated as long as Cincinnati, its successor or assigns are furnishing water to Terrace Park or through Terrace Park to other areas of the GCWW Water System. Cincinnati shall obtain a street opening or other similar permit from and perform work according to the requirements of Terrace Park; however, Terrace Park shall not require Cincinnati to pay any permit, license, fees, or taxes of any kind, except as may be required by State law. When required by Cincinnati, Terrace Park shall apply its power of eminent domain to acquire easements or other property ownership necessary for the Cincinnati Water System capital improvements.

Provided that the exercise of eminent domain does not also serve a Terrace Park or other right-of-way purpose, Cincinnati shall reimburse Terrace Park for the costs of just compensation to the owners of the property for which eminent domain is exercised.

C. Requested Water Mains. Unless determined by the Director to be necessary for the benefit of the Cincinnati Water System per Section 6(A) (*Improvements for Water System Purposes*), any requested installation of water mains, including extension, relocation, upsizing, upgrading or replacement of distribution mains in or serving the Service Area, shall be constructed by Terrace Park, developer or other requestor, and Cincinnati shall not be required to contribute to the cost of such installation from Cincinnati Water System revenue; however, Cincinnati may elect to contribute to such costs, in accordance with an applicable plan for water main installation in Cincinnati Municipal Code Chapter 401. As provided in Section 5(B) (*Control; Regulatory Compliance*) hereof, installations, connections and improvements to the Cincinnati Water System in the Service Area shall be subject to the Cincinnati Requirements and Cincinnati approval, including without limitation requirements for contractor bonding, plan review, warranty, and inspection and approval. Once a GCWW approved main has been connected and placed into service, it shall become part of the Cincinnati Water System. As provided in Section 5(C) hereof, installations, connections and improvements to the Cincinnati Water System shall be subject to the Cincinnati Requirements, including without limitation requirements for contractor bonding, plan review, and inspection and approval.

D. Building Permits/Water Availability. No water main extension or service connection shall be made to serve a proposed subdivision or development (commercial or industrial) unless such proposed subdivision or development has been approved by the proper authorities in accordance with the Ohio Revised Code Chapter 711 and all other pertinent provisions of Ohio law, and, in the opinion of the Director, the subdivision or development can be adequately served, without materially affecting the water service of existing consumers, which opinion shall not be unreasonably withheld. In accordance with 8(E) below, Terrace Park shall submit to GCWW all building permit applications that require new or additional water service in the Service Area (except single family residences in subdivisions for which Cincinnati has previously determined that adequate water service is available) prior to issuance of the permit, for a determination of whether adequate water service is available and to ensure compliance with all Cincinnati Requirements.

E. Maintenance and Operation. Cincinnati shall maintain, operate, repair, and replace Cincinnati Water System facilities within the Service Area. If repairs and replacements are necessary as the result of negligence on the part of Terrace Park, or its employee(s) or contractor(s), Terrace Park shall reimburse Cincinnati for repair costs caused by such negligence.

F. Restoration; Insurance. Following any excavation or other work by or for Cincinnati in the rights-of-way or other property within the Service Area, Cincinnati shall, at its sole cost and discretion, restore the affected pavement, curbs, sidewalks, and other

improvements to a condition equal to or better than their condition before the work. Cincinnati shall maintain a program of self-insurance covering its activities within the Service Area.

7. FIRE HYDRANTS.

A. Use of Water. With the exception of the use of Water from public fire hydrants for firefighting by fire departments organized under Ohio law, all use of Water provided under this Agreement shall be subject to the Cincinnati Requirements. No water shall be taken from fire hydrants other than for fire purposes except as provided by the Cincinnati Requirements.

B. Fire Hydrants. Fire hydrants within the Service Area shall be subject to the terms below:

i. Cincinnati shall be responsible for installation, removal, flushing, testing, inspection, maintenance, operation, repair, and replacement of all public fire hydrants- defined as those directly connected to the public water distribution system that are owned by or accepted for maintenance by GCWW- and associated fire hydrant piping, fittings, and appurtenances in Terrace Park ("Fire Hydrant Maintenance"). Cincinnati is not responsible for the maintenance of private fire hydrants.

ii. Terrace Park shall furnish to Cincinnati, electronically and with GIS data, detailed drawings showing the location of all pipes, special castings, valves, and fire hydrants installed in the Service Area under its responsibility.

iii. Terrace Park may impose and enforce additional requirements for private fire protection facilities beyond those required for the Cincinnati Water System. Cincinnati shall have no obligation to enforce such requirements.

iv. If repairs and replacements are necessary as the result of negligence on the part of Terrace Park, or its employee(s) or contractor(s), Terrace Park shall reimburse Cincinnati for repair costs caused by such negligence.

v. The costs associated with Cincinnati's Fire Hydrant Maintenance responsibilities under this section will be collected as set forth in Section 9(D) below (*Fire Hydrant Maintenance Charge*).

vi. Cincinnati shall have the right to operate public fire hydrants within the Service Area for any purpose related to the operation of the Cincinnati Water System.

8. SERVICE TO CUSTOMERS; CUSTOMER ACCOUNTS.

A. Water Service Branches; Water Meters. Water service branches and water meters, including, without limitation, the charges therefor and for their installation, ownership, repair, replacement, and maintenance for properties in the Service Area shall

be in accordance with Cincinnati Requirements. Cincinnati Requirements governing water service branches and water meters shall operate no differently for persons and properties located in Cincinnati than for those located in the Service Area and other portions of the Cincinnati Water System.

B. Billing and Collections. Cincinnati will read all meters; and deliver (by mail, electronically or otherwise) and collect payment of bills and charges, and audit accounts as to each account in the Service Area, all in accordance with Cincinnati Requirements which shall operate no differently for persons located in Cincinnati than for those located in the Service Area.

C. Obligation of Owners of Property Served. Any owner of real property supplied with Water service under this Agreement, shall be deemed to have accepted and be subject to: 1) the provisions of this Agreement, as may be amended from time to time, 2) the Cincinnati Requirements and Cincinnati enforcement thereof, and 3) liability for all water service charges for such premises, whether or not the accounts for such premises include the name of tenants, managing agents, or other persons.

D. Enforcement. Cincinnati reserves the right to shut off service, discontinue service, disconnect the service branch and/or remove the meter to any property, consumer, or account for a breach of the terms of this Agreement, for nonpayment of bills or other violation of the Cincinnati Requirements in accordance with the Cincinnati Requirements. Such remedies shall be non-exclusive and at Cincinnati's sole discretion and shall be available in addition to any other legal remedies available to Cincinnati.

E. Building Permit Review. In cases where the proposed construction or development requires new or additional water service connections, meter installations, upsizing of existing service, or increased water demand, such building permit applications, other than single family residences in recently approved subdivisions, shall be submitted to GCWW prior to issuance of the permit, for a determination of whether water service is available, which determination shall not be unreasonably withheld. Notwithstanding the foregoing, Terrace Park shall provide GCWW with a list of permit categories and the parties shall coordinate which categories will require GCWW review and approval prior to issuance.

9. WATER RATES. Cincinnati City Council shall fix the charges for water supplied to customers in the corporate boundaries of Cincinnati. Nothing in this Agreement shall limit in any way Cincinnati's right to establish rates for water supplied or for water services in the City of Cincinnati.

The water rates for the Terrace Park Service Area shall be subject to the following four charges:

1. Service Charge
2. Commodity Charge
3. Infrastructure Charge
4. Fire Hydrant Maintenance Charge

A. Service Charge. Each account shall be subject to a service charge that shall be based on the size of the water meter connected at each property, or for fire branches, the size of the service branch ("**Service Charge**"). For the availability of water service beginning on the Go-Live Date and during the Term, the Service Charge on all accounts and properties in the Service Area shall be calculated by multiplying the rate differential of 1.25 times the corresponding rate or fee charged to GCWW customers within the City of Cincinnati as currently set forth in Cincinnati Municipal Code (CMC) Sec. 401-76 (*Service Charges*) and Sec. 401-78 (*Charges for Fire Protection Services* (private)), as may be amended or changed by Cincinnati from time to time.

B. Commodity Charge. Each account shall be subject to a commodity charge that shall be based on the volume of water used as measured at each customer's meter ("**Commodity Charge**"). Beginning on the Go-Live Date and during the Term, the Commodity Charge on all accounts and properties in the Service Area shall be calculated by multiplying the rate differential of 1.25 times the corresponding rate or fee charged to GCWW customers within the City of Cincinnati as currently set forth in CMC Sec. 401-77 (*Water Commodity Charges*), as may be amended or changed by Cincinnati from time to time.

C. Infrastructure Charge and Infrastructure Fund. For the first 30 years of the Term following the Go-Live Date, all accounts in the Service Area shall be charged an infrastructure charge that is based on the Commodity Charge. Beginning on the Go-Live Water Service Date and during the Term, the Infrastructure Charge on all accounts and properties in the Service Area shall be calculated by multiplying the rate differential of 1.15 times the corresponding rate or fee charged to GCWW customers within the City of Cincinnati as currently set forth in CMC Sec. 401-77 (*Water Commodity Charges*), as may be amended or changed by Cincinnati from time to time. ("**Infrastructure Charge**") GCWW shall establish a separate fund to track all costs and revenue pertaining to the Infrastructure Charge ("**Infrastructure Fund**"). Accounting of costs and revenue shall be shared annually with Terrace Park, or additionally upon request. No adjustment shall be made for inflation or present value.

i. Purpose: The purpose of the Infrastructure Fund is to cover the cost of planning, design, and construction of the following infrastructure improvements:

   a. Terrace Park connection(s) to the GCWW System;
   b. Water system improvements required to bring the Terrace Park Service Area Infrastructure to the same 1% replacement program standard that exists throughout the GCWW system;
   c. Compliance with regulatory requirements, including but not limited to lead (pb) line replacements and PFAS treatment; and
   d. Installation of new water meters as needed throughout the Service Area.

   GCWW shall provide Terrace Park with a plan for these infrastructure improvements to be completed over the 30-year duration of the

Infrastructure Charge, which GCWW may amended from time-to-time to adapt to new information regarding Service Area infrastructure needs ("**Infrastructure Plan**"). The Infrastructure Fund shall not cover operation, maintenance, and repair of the water system.

ii. Use of Infrastructure Fund: The parties acknowledge that GCWW will commence work on the Infrastructure Plan prior to the commencement of the Infrastructure Charge. The Infrastructure Fund may be used to reimburse GCWW for funds advanced for this work as well as for ongoing costs of implementing the Infrastructure Plan. Prior to the Go-Live Date, Terrace Park may expend the water rate surcharge revenue collected by Indian Hill and remitted to Terrace Park ("Surcharge Revenue") for any lawful water system purpose. Within ninety (90) days after the Go-Live Date, Terrace Park shall remit to GCWW the unexpended balance of the Surcharge Revenue held by Terrace Park as of the Go-Live Date, together with any Surcharge Revenue thereafter received by Terrace Park from Indian Hill, to be deposited in the Infrastructure Fund and used solely for Infrastructure Plan improvements within the Service Area. Surcharge Revenue remitted to GCWW shall be credited as Infrastructure Fund revenue for purposes of the reconciliation below.

Upon expiration of the term of the Infrastructure Charge, if the total sum of the funds recovered from the Infrastructure Charge and the Surcharge Revenue remitted by Terrace Park exceeds the total sum of the actual costs of capital improvements made by GCWW in accordance with the Infrastructure Plan, GCWW will reimburse Terrace Park for such difference. In the event the capital improvements exceed the total Infrastructure Charge revenue, Terrace Park will not be required to pay the difference.

D. Fire Hydrant Maintenance Charge. Beginning on the Go-Live Date and during the Term, all accounts shall be subject to a flat fee for the actual costs of Fire Hydrant Maintenance that shall be based on the size of the water meter connected at each property. The chart below depicts the initial Fire Hydrant Maintenance Charges as of the Effective Date. The purpose of the charge is for GCWW to recover the actual costs associated with the Fire Hydrant Maintenance, including labor, equipment, materials, contractor services, site restoration, and related administrative costs in Terrace Park.

Fire Hydrant Maintenance Charge	
Water Meter Size	Monthly Charge ($/Month)
5/8" to 1.5"	$2.50
Greater than 1.5", up to 4"	$2.60
Greater than 4", up to 8"	$3.30
Greater than 8"	$4.00

a. GCWW shall maintain a separate accounting of all revenues collected through the Fire Hydrant Maintenance Charge and all expenses incurred for Fire Hydrant Maintenance. GCWW shall provide Terrace Park with the accounting of the revenues and expenses on a yearly basis.

b. The Fire Hydrant Maintenance Charge may be adjusted by GCWW on a yearly basis, to reflect projected costs based on historical expenditures, anticipated maintenance needs, and any prior under-collection or over-collection of revenues. GCWW may use the accounting of revenues and expenses to determine if a rate adjustment is needed. No adjustment shall be made for inflation, interest, or present value.

c. Upon expiration or termination of the Term, GCWW shall prepare a final accounting of all revenues collected through the Fire Hydrant Maintenance Charge and all Fire Hydrant Maintenance expenses incurred during the Term. If cumulative revenues exceed cumulative expenses, GCWW shall reimburse Terrace Park for the difference. If cumulative expenses exceed cumulative revenues, Terrace Park shall reimburse GCWW for the deficit.

d. Fire Hydrant Maintenance performed on public fire hydrants currently installed or installed during the Term shall be subject to this section upon acceptance of such hydrants by GCWW for ongoing maintenance.

e. The Fire Hydrant Maintenance Charge is based on the size of the meter serving each account. In the event an active account does not have a meter, the charge will be based on the standard meter size that GCWW reasonably determines would normally be required to serve that account.

f. For the purpose of cost tracking, fire hydrant piping, fittings, and appurtenances shall include all piping, fittings, and appurtenances between the fire hydrant and the fire hydrant shut off valve, but shall not include the fire hydrant shut off valve. The fire hydrant shut off valve shall be considered part of the water distribution system and all cost associated with its operation, maintenance, replacement, or installation shall not be included as part of Fire Hydrant Maintenance costs.

E. The Parties agree that the rate differentials established by this Section 9 (*Water Rates*) are set by agreement, in consideration of the mutual promises set forth herein. No Party shall claim or contend, in any court, arbitration, or other dispute resolution forum, based on any statute or otherwise, that the rate differential established by this Agreement is improper or the product of non-acceptable methodology, and the Parties hereby waive any such rights and covenant not to bring any such claim.

10. NOTICES

All legal notices required under this Agreement shall be personally served or sent by first class U.S. mail, postage prepaid, addressed to the parties as follows, or to such other addresses as a party may designate in writing for such purpose:

To Cincinnati:

City of Cincinnati
Greater Cincinnati Water Works
Attention: Director's Office
4747 Spring Grove Ave
Cincinnati, Ohio 45232

To Terrace Park:

Terrace Park Village Office
428 Elm Ave.
Terrace Park, Ohio 45174

However, if Terrace Park sends a notice to Cincinnati alleging that it is in default under this Agreement or that Terrace Park desires to terminate or not renew the Agreement, it shall simultaneously send a copy of such notice by U.S. certified mail to: City Solicitor, City of Cincinnati, 801 Plum Street, Room 214, and Cincinnati, OH 45202.

11. GENERAL PROVISIONS

A. No Third Party Rights. Nothing in this Agreement shall be construed to give any rights or benefits to anyone other than Cincinnati or Terrace Park.

B. Waiver. This Agreement shall be construed in a manner that a waiver of any breach of any provision of this Agreement shall not constitute or operate as a waiver of any other breach of such provision or of any other provisions, nor shall any failure to enforce any provision hereof operate as a waiver of such provision or of any other provision.

C. Entirety; Conflict. This Agreement and any documents, laws, codes, regulations, or written policies specifically identified herein and, in the Exhibits, contain the entire contract between the parties as to the matters contained herein. Any oral representations or modifications concerning this Agreement shall be of no force and effect.

D. Severability. In the event that any provision of this Agreement is declared to be unlawful, invalid, or unconstitutional, such declaration shall not affect, in any manner, the legality of the remaining provisions. Each provision of this Agreement will

be and is deemed to be separate and separable from each other provision.

E. Choice of Law; Joint Preparation. This Agreement is entered into and is to be performed in the State of Ohio. Cincinnati and Terrace Park agree that the laws of the State of Ohio shall govern the rights, obligations, duties and liabilities of the parties under and related to this Agreement and shall govern the interpretation of this Agreement without regard to choice of law and conflicts of law principles. This Agreement has been jointly prepared by the parties hereto and shall not be construed more strictly against either party.

F. Forum Selection. The parties, their successors and assigns acknowledge and agree that all state courts of record sitting in Hamilton County, Ohio, shall be the exclusive forum for the filing, initiation, and prosecution of any suit or proceeding arising from or out of, or relating to, this Agreement, or any amendment or attachment thereto, including any duty owed by Cincinnati to Terrace Park in connection therewith. However, in the event that any claim arising from, related to, or in connection with this Agreement must be litigated in federal court, the parties agree that the exclusive venue for such lawsuit shall be in the United States District Court or United States Bankruptcy Court for the Southern District of Ohio.

G. Electronic, Counterpart and PDF Signatures. This Agreement may be executed in counterparts, and an electronic, facsimile or PDF signature shall be deemed to be, and shall have the same force and effect as, an original signature.

H. Official Capacity. None of those representations, warranties, covenants, agreements or obligations shall be deemed to be a representation, warranty, covenant, agreement or obligation of any present or future officer, agent, employee or attorney of Cincinnati in other than his or her official capacity.

I. Amendment. This Agreement may be modified or amended only by a written instrument duly executed by the parties hereto.

12. EXHIBITS. The following exhibits are attached hereto and incorporated herein by reference:

Exhibit A –*Map of Service Area*
Exhibit B – *Transition Responsibilities and Schedule*

IN WITNESS WHEREOF, the parties have executed this Agreement on the dates reflected below, effective as of the later of such dates ("**Effective Date**").

THE VILLAGE OF TERRACE PARK, OHIO:

By: _____
Tom Tepe, Mayor

Date: _____, 2026

Approved as to form

By: _____

[City Signature Page Follows]

CITY OF CINCINNATI

By: _____
Sheryl M.M. Long, City Manager

Date:_____, 2026

RECOMMENDED BY:

_____
Andrea Yang, Executive Director
Greater Cincinnati Water Works

APPROVED AS TO FORM BY:

_____
Assistant City Solicitor

CERTIFICATION OF FUNDS:
Date: _____
Funding: _____
Amount: _____

_____
Steve Webb, Finance Director

Exhibit A

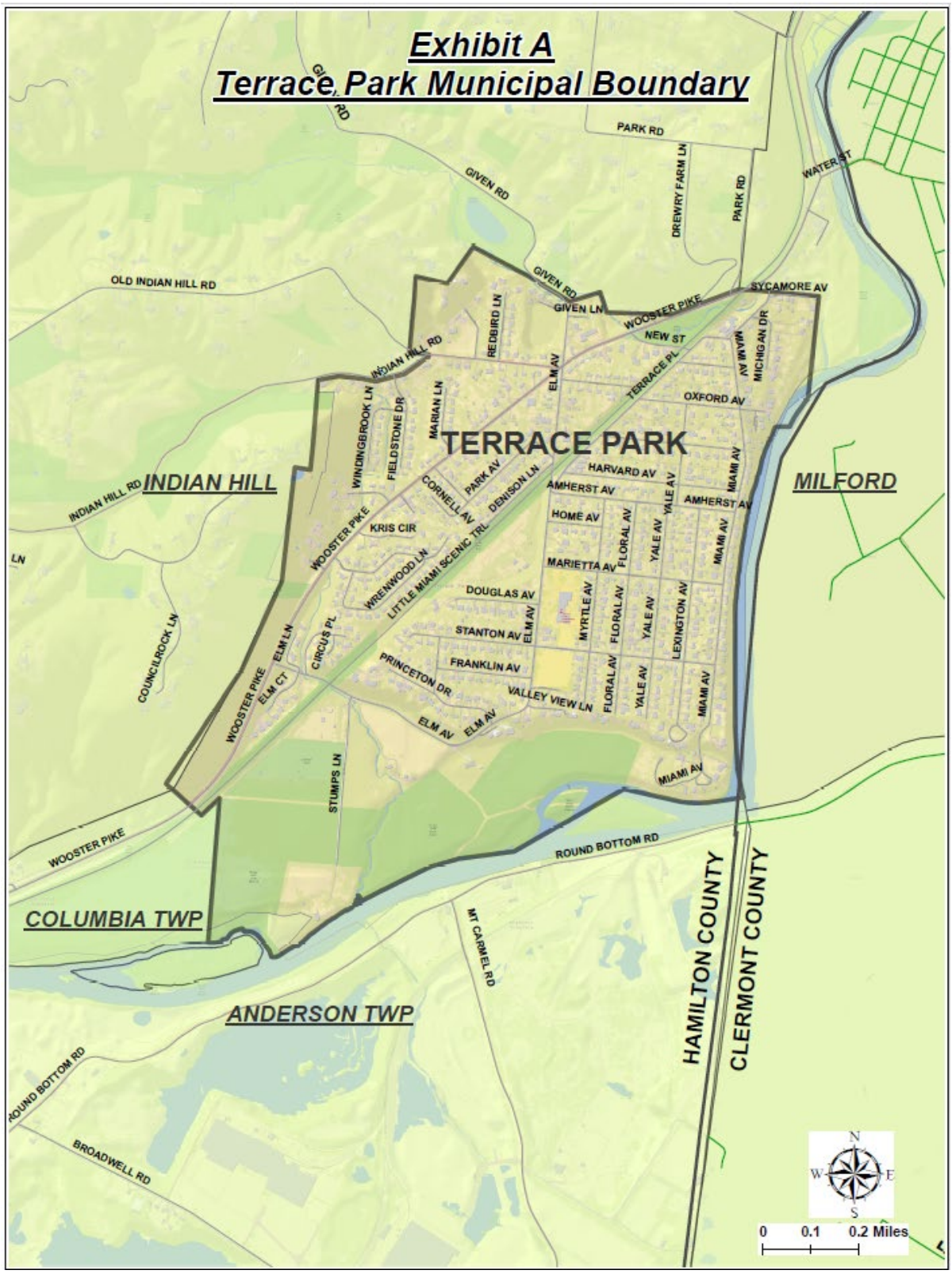

Exhibit A
Terrace Park Municipal Boundary
TERRACE PARK
INDIAN HILL
MILFORD
COLUMBIA TWP
ANDERSON TWP
HAMILTON COUNTY
CLERMONT COUNTY
PARK RD
GIVEN RD
GIVEN LN
DREWRY FARM LN
WATER ST
OLD INDIAN HILL RD
INDIAN HILL RD
REDBIRD LN
WOOSTER PIKE
NEW ST
SYCAMORE AV
MIAMI AV
MICHIGAN DR
TERRACE PL
OXFORD AV
ELM AV
MARIAN LN
WINDINGBROOK LN
FIELDSTONE DR
HARVARD AV
AMHERST AV
HOME AV
MARIETTA AV
DOUGLAS AV
STANTON AV
FRANKLIN AV
VALLEY VIEW LN
PRINCETON DR
PARK AV
CORNELL AV
DENISON LN
KRIS CIR
WRENWOOD LN
LITTLE MIAMI SCENIC TRL
CIRCUS PL
ELM LN
ELM CT
COUNCILROCK LN
STUMPS LN
FLORAL AV
YALE AV
LEXINGTON AV
MYRTLE AV
ROUND BOTTOM RD
MT CARMEL RD
BROADWELL RD
N
W
E
S
0
0.1
0.2 Miles

Exhibit B

Transition Schedule

Retail Water Service to Terrace Park

Row #	Task Description	Duration (days)	Start	Estimated Completion
1	Contract and Legal Notices	121	9/1/2026	12/31/2026
2	Establish funds for tracking fee's and expenses	31	12/1/2026	1/1/2027
3	Official Start of Project	1	1/1/2027	1/1/2027
4	Communication and Information Gathering	30	1/1/2027	1/31/2027
5	Wooster Connection - Planning and Design	89	1/1/2027	3/31/2027
6	Wooster Connection - Bid and Construction	182	4/1/2027	9/30/2027
7	Little Miami Crossing - Planning, Design, Permitting, & Easements	730	1/1/2027	12/31/2028
8	Little Miami Crossing - Bid and Construction	365	1/1/2029	12/31/2029
9	Customer Accounts and Billing System	90	3/1/2027	5/30/2027
10	Water Meters	90	5/1/2027	7/30/2027
11	Identify and construct any additional improvements needed before transition	150	3/1/2027	7/29/2027
12	GIS Integration	90	7/1/2027	9/29/2027
13	Operations Planning	90	10/1/2027	12/30/2027
14	Water Quality Planning and Sampling	60	12/1/2027	1/30/2028
15	Flush Distribution System	30	12/15/2027	1/14/2028
16	Wooster Connection Completed (Go-Live Date)	1	1/1/2028	1/1/2028
17	Little Miami Crossing Connection Completed	1	1/1/2030	1/1/2030
18	Transition Project Complete	1	1/1/2030	1/1/2030

This Agreement acknowledges that the attached schedule, labeled Exhibit B Estimated Schedule, is being provided solely for informational purposes. Both parties agree that this schedule will be updated periodically throughout the course of the project. Any updates to the schedule, including changes to dates, will be shared between both municipalities in a timely manner. These updates shall not constitute an amendment to the Agreement and will not require any formal changes to the terms of the Agreement. The schedule's updates are intended solely to reflect changes in project timelines without altering the fundamental terms of the Agreement.

Transition Responsibilities

A. Responsibilities of the City of Cincinnati

Cincinnati shall be responsible for the following transition-related activities in connection with the incorporation of the Terrace Park Service Area into the Cincinnati Water System:

1. Incorporate the Terrace Park Service Area into the Cincinnati Water System.
2. Perform all responsibilities required for the Planning, Design, Permitting, and Construction of two (2) connection points from the Cincinnati Water System to the Terrace Park Service Area.
    1. Wooster Pike: Cincinnati shall extend the existing eight (8) inch Ductile Iron water main on Wooster Pike approximately 2,800 feet and connect to the existing Terrace Park water main located near the intersection of Elm Avenue and Wooster Pike.
    2. Little Miami River Crossing: Cincinnati shall install a twelve (12) inch water main under the Little Miami River to provide a connection between the GCWW Mt. Washington System and the Terrace Park Service Area. Cincinnati anticipates this will take approximately 10,600 feet of 12” water main and 4,200 feet of 8” water main.
3. Conduct water quality sampling during the transition period to ensure compliance with applicable public health and safety standards.
4. Perform hydrant flushing during the transition and Go-Live Dates to maintain water quality and minimize the impact of the system changeover.
5. Integrate the Terrace Park Service Area into Cincinnati’s hydraulic water model and conduct simulations to validate sufficient water volume, pressure, and quality.
6. Coordinate with the Ohio Utilities Protection Service (OUPS) and commence water main marking activities in the Terrace Park Service Area following the official Go-Live Water Service Date.
7. Incorporate the Terrace Park Service Area into Cincinnati’s Geographic Information System (GIS).
8. Incorporate the Terrace Park Service Area into the Cincinnati billing system and customer account database. Cincinnati shall issue invoices in a timely manner and ensure that all customers receive the same billing services, payment plan options, and customer support services as those currently provided to all Cincinnati Water Service customers.

9. Incorporate the Terrace Park Service Area into GCWW's Computerized Maintenance Management System (CMMS).

10. Coordinate with the Village of Terrace Park the release of all public information, press releases, announcements, frequently asked questions (FAQs), memoranda, and other communications to ensure a consistent and unified message to the public.

11. Provide orientation to Terrace Park staff, if necessary, regarding post-transition maintenance and/or customer service processes.

12. Cincinnati shall create an accounting fund, called the Terrace Park Infrastructure Charge Expenses, to record all expenses applied against the Infrastructure Charge. These expenses shall only include items directly applied against the Infrastructure Charge for Terrace Park, as defined in this Agreement.

13. Cincinnati shall create an accounting fund, called the Terrace Park Infrastructure Charge Revenue, to record all revenue received from the Terrace Park Infrastructure Charge.

14. Cincinnati shall provide to Terrace Park Municipal Administration a summary of the Terrace Park Infrastructure Charge expenses and revenue. This summary shall be provided annually, or more often upon request, throughout the term of the Infrastructure Charge.

B. Responsibilities of the Village or Terrace Park

The Village of Terrace Park shall be responsible for the following transition-related activities:

1. Cooperate fully with Cincinnati personnel and provide, to the best of its ability, all data, documents, and assistance reasonably requested by Cincinnati in support of the transition process.

2. Timely notify the current water service provider of its intent to terminate the existing water services agreement, in accordance with the terms of such agreement.

3. Notify the Ohio Environmental Protection Agency (OEPA) of Terrace Park's intent to transition water service provision for Terrace Park to Cincinnati.

4. To the best of its ability, provide Cincinnati with GIS data concerning existing Terrace Park owned water infrastructure, including but not limited to the location, asset ID, age, and material composition of all water mains, valves, branches, and fire hydrants.

5. Provide customer billing system data for all service accounts within the Terrace Park Service Area. Such data shall include, at a minimum: property owner name, address, contact information, meter type, meter size, and MIU (Meter Interface Unit) number.

6. Furnish available leak and break history for the Terrace Park Service Area, preferably covering the preceding five (5) years.

7. Grant Cincinnati personnel access to the Terrace Park Service Area during the transition period for the purposes of information gathering, installation of new infrastructure, hydrant flushing, meter inspections, and other transition-related activities.

8. Communicate regular project updates to Terrace Park residents, including but not limited to progress reports, service changes, and other relevant matters pertaining to the transition.

9. Coordinate with Cincinnati on the release of all public information, press releases, announcements, frequently asked questions (FAQs), memoranda, and other communications to ensure a consistent and unified message to the public.

10. Designate a point of contact within the Village of Terrace Park to liaise with Cincinnati throughout the transition period.

11. Ensure that all local ordinances and permitting processes accommodate the infrastructure work required for the transition.

12. Assist Cincinnati with the acquisition of all easements necessary for the transition of water services from Indian Hill to Cincinnati and the continuation of that water service in Terrace Park, including but not limited to easements required for construction, operation, maintenance, repair, and replacement of water mains or other appurtenances of the Cincinnati Water System throughout the term of this Agreement as provided in 6(B) of this Agreement.

C. Estimated Cost

The Parties acknowledge that Cincinnati will incur costs in performance of the Transition Responsibilities outlined in Exhibit B in furtherance of this Agreement. If Terrace Park terminates this Agreement prior to the end of the Transition Period, Terrace Park shall reimburse GCWW for the actual, reasonable, and documented costs expended through the date of termination provided that Terrace Park's reimbursement obligation shall not exceed Ten Million Dollars ($10,000,000) in the aggregate.