

WHOLESALE WATER AGREEMENT BETWEEN THE LAFAYETTE
CITY-PARISH CONSOLIDATED GOVERNMENT,
THE CITY OF YOUNGSVILLE, LOUISIANA
AND MAGNOLIA WATER UTILITY OPERATING COMPANY, LLC

This Agreement made and entered into on this the _____ day of _____, _____, by and between the Lafayette City-Parish Consolidated Government (hereinafter referred to as "LCPCG") herein appearing by and through the Honorable Monique B. Boulet, Mayor-President, duly authorized by ordinance of the Lafayette City-Parish Consolidated Government, the City of Youngsville, (hereinafter referred to as "YOUNGSVILLE"), herein appearing by and through the Honorable Ken Ritter, Mayor, duly authorized by resolution of the Board of Alderman of the City of Youngsville, Louisiana and Magnolia Water Utility Operating Company, LLC (hereinafter referred to as "RETAILER"), herein appearing by and through Josiah Cox, President.

WITNESSETH:

WHEREAS, the LCPCG has a safe and adequate supply of potable water; and

WHEREAS, the LCPCG has water production facilities capable of supplying its own requirements, the needs of YOUNGSVILLE and other entities; and

WHEREAS, the LCPCG and YOUNGSVILLE entered into the Wholesale Water Agreement between the LCPCG and YOUNGSVILLE dated December 24, 1998 (hereinafter referred to as "WWA") whereby the LCPCG provides potable water to YOUNGSVILLE for the purpose of reselling to YOUNGSVILLE's retail and wholesale customers; and

WHEREAS, YOUNGSVILLE and RETAILER desire YOUNGSVILLE to provide a supply of potable water on a wholesale basis to RETAILER; and

WHEREAS, it is the intent of YOUNGSVILLE to provide a ready supply of potable water on a wholesale basis to RETAILER with the same priority as it provides potable water to its retail customers;

NOW, THEREFORE, the parties hereto agree as follows:

Section I: The LCPCG, YOUNGSVILLE and RETAILER do hereby agree and obligate themselves as follows:

- (1) The LCPCG, under the terms and conditions of the WWA, shall furnish potable water to YOUNGSVILLE for resale to RETAILER and RETAILER shall purchase all of its water supply requirements from YOUNGSVILLE for the purpose of reselling to its retail customers in the project area identified on Exhibit A attached hereto and made a part hereof. Neither the LCPCG nor YOUNGSVILLE shall be obligated, in any manner, to provide facilities for the purpose of fire protection on RETAILER'S side of any wholesale metering point between YOUNGSVILLE and RETAILER.
- (2) YOUNGSVILLE shall own, operate and maintain all of the wholesale metering facilities up to the exit flange of the valve located on RETAILER's side of the meter box.
- (3) RETAILER shall install any necessary wholesale water meters, subject to approval of the plans and specifications by the LCPCG and YOUNGSVILLE, where the location is mutually agreeable by YOUNGSVILLE and RETAILER. Such installations shall be in compliance with any and all applicable regulatory code requirements. The costs of all wholesale water meters and appurtenances installed by RETAILER under this provision shall be borne by RETAILER and shall become the property of YOUNGSVILLE once placed in service. The LCPCG and YOUNGSVILLE shall not unreasonably withhold approval of such installations.
- (4) YOUNGSVILLE shall charge RETAILER monthly for all water delivered to RETAILER by YOUNGSVILLE at the same rate the LCPCG charges YOUNGSVILLE for wholesale water provided under the terms and conditions of the WWA times a factor of 1.35.
- (5) RETAILER shall make monthly payments in the amount charged by

YOUNGSVILLE, as shown on the bill from YOUNGSVILLE to RETAILER, within thirty (30) days after the billing date appearing on the bill. Failure to pay the amount due on the bill (payment is made when it is received by YOUNGSVILLE) within the prescribed period shall result in the assessment of a late payment penalty of 1% per calendar month plus all reasonable attorney fees incurred in collecting said payment. The amount due on the bill plus any late payment penalty shall be added to the next month's bill.

(6) RETAILER shall be responsible for assuring its system is capable of handling the deliverable water pressures by YOUNGSVILLE. RETAILER shall, at a minimum, design, construct, and maintain a water distribution system, such that when RETAILER's water system is integrated with YOUNGSVILLE's water system, adequate flows and pressures will exist on RETAILER's water system to provide water for domestic use.

(7) RETAILER shall not use any other source(s) of water, including its own, for the purpose of commingling with YOUNGSVILLE's supply of water for those areas shown on Exhibit A. RETAILER shall install backflow prevention devices, to prevent commingling of water sources, at the interconnection points with YOUNGSVILLE's water system as deemed necessary by the LCPCG and YOUNGSVILLE. RETAILER shall submit plans and specifications of said backflow prevention device installations for approval by the LCPCG and YOUNGSVILLE.

(8) RETAILER shall obtain Louisiana Department of Health approval of this change in source water, and shall physically disconnect existing water source prior to obtaining YOUNGSVILLE's supply of water.

Section II: YOUNGSVILLE and RETAILER do hereby agree and obligate themselves in coordinating operations as follows:

(1) YOUNGSVILLE reserves the right at its sole discretion to close the valve(s) connecting its system with RETAILER's system should RETAILER's water system adversely affect the operation of YOUNGSVILLE's system or threaten the integrity of YOUNGSVILLE's system. The determination as to whether

RETAILER's water system adversely affects the operation of YOUNGSVILLE's system or threatens the integrity of YOUNGSVILLE's system shall be based upon sound engineering and utility principles. YOUNGSVILLE shall use due diligence to provide reasonable notice to RETAILER prior to taking such action. YOUNGSVILLE and RETAILER shall use prudent utility practice in the operation and maintenance of each entity's respective water system as well as in the coordination of operation and maintenance between the two systems.

- (2) YOUNGSVILLE and RETAILER shall be responsible to operate and maintain their respective systems in compliance with any and all current or future applicable regulatory code requirements.
- (3) Any notices required or permitted under this Agreement with regard to coordination of operations of the LCPCG, YOUNGSILLE and RETAILER's water systems shall be made as follows:

Lafayette City-Parish Consolidated Government:

Position: Water Operations Manager
Phone Number: (337) 291-2901
Fax Number: (337) 291-5918
Emerg. Phone No.: (337) 291-5700, LUS Dispatcher
Emerg. Fax No.: (337) 291-5795

City of Youngsville:

Position: City Manager
Phone Number: (337) 856-4181
Fax Number: (337) 856-8863
Emerg. Cellular No.: (337) 492-3690
Emerg. Fax No.: N/A

Magnolia Water Utility Operating Company, LLC:

Position: Todd Thomas, Sr. Vice-President
Phone Number: (314) 380-8518
Fax Number: (314) 736-4743
Emerg. Phone No.: (636) 399-8283
Emerg. Fax No.: N/A

Section III: It is the intent of this Agreement for YOUNGSVILLE to provide a ready supply of potable water on a wholesale basis to RETAILER for the purpose of reselling said water on a retail basis to end use customers. RETAILER shall be prohibited from reselling, on a wholesale basis, water purchased from YOUNGSVILLE under the terms of

this Agreement.

Section IV: The RETAILER shall secure and maintain a policy of liability insurance which covers any claims for RETAILER's respective obligations arising out of this Agreement. It is agreed that RETAILER shall have the LCPCG and YOUNGSVILLE named as additional insureds with respect to the interconnection point(s) and to the delivery of water from the LCPCG and YOUNGSVILLE to RETAILER, as well as the obligations undertaken by the parties under the terms of this Agreement. The RETAILER agrees to provide a certificate of insurance evidencing the aforesaid on an annual basis.

Section V: This Agreement shall apply to the area indicated on Exhibit A for the full term of this contract. RETAILER shall purchase all of its potable wholesale water requirements for the full term of this contract exclusively from YOUNGSVILLE, for all purposes including the resale of said water on a retail basis to all of its end use customers in the area indicated on Exhibit A.

Section VI: The water service provided under this Agreement shall be continuous and uninterrupted except for Force Majeure. The term "Force Majeure" means any order or other action, or delay or inaction, by a court or any governmental or regulatory authority, fire, strike, sabotage, riot, war disturbance, explosion, flood, earthquake, storm, hurricane, wind, lightning, accident, failure of facilities, breakdown, power curtailment, failure of performance by a third party, acts of God or the public enemy or any act or conduct whether of the same or different characteristic than the aforementioned. Either party to this Agreement will be relieved of its obligations, other than to make payments due, hereunder by virtue of Force Majeure only if it shall establish by clear and convincing evidence submitted to the other party in writing the evidence of the Force Majeure. The party prevented by Force Majeure from performing its obligations hereunder shall use due diligence to remove the cause of the Force Majeure providing, however, that nothing shall be considered to require the settlement of any strike or labor dispute.

Section VII: This Agreement shall commence on the _____ day of _____, and shall terminate upon the termination of the WWA.

Section VIII: The provisions of this Agreement shall be binding upon the

respective parties hereto and their successors in office.

THUS DONE AND SIGNED this _____ day of _____, _____ in
the presence of competent witnesses and me, Notary, after reading of the whole.

WITNESSES:

LAFAYETTE CITY-PARISH
CONSOLIDATED GOVERNMENT,
STATE OF LOUISIANA

By: _____

Lafayette Mayor-President

NOTARY PUBLIC

THUS DONE AND SIGNED this _____ day of _____, _____ in
the presence of competent witnesses and me, Notary, after reading of the whole.

WITNESSES:

CITY OF YOUNGSVILLE, LOUISIANA
STATE OF LOUISIANA

By: _____
Ken Ritter

NOTARY PUBLIC

THUS DONE AND SIGNED this ____ day of _____
in the presence of competent witnesses and me, Notary, after reading of the whole.

WITNESSES:

MAGNOLIA WATER UTILITY
OPERATING COMPANY, LLC

By: _____
Josiah Cox, President

NOTARY PUBLIC