

WATER SUPPLY OPERATING CONTRACT

BETWEEN

WATER SYSTEM OWNER: TWIN LAKES WATER WORKS CORPORATION
PUBLIC WATER SUPPLY ID# 5903475
P.O. BOX 258, SOUTH SALEM, NY 10590

AND

DESIGNATED OPERATOR: TWIN LAKES WATER CO., INC.
18 BIRCH SPRING ROAD, SOUTH SALEM, NY 10590

Steven Woodstead, owner of Twin Lakes Water Co., Inc, is a NYSDOH grade "C" water operator with more than 15 years experience as an operator and 33 years operating a water well drilling, pump and treatment business.

We shall manage the existing water system. To our knowledge your water system consists of 3 wells – well 1&2 are connected through a common aquifer, so the water system has two sources. One pump in each of well 2 and well 3 provides water. There are 91 service connections, all 3/4" copper k-tubing, with 1 vacant lot that has a curb stop installed. Two chlorinators (one operational, and one backup) feed calcium hypochlorite into the system to maintain a minimum free chlorine residual as the water fills a 15,000-gallon atmospheric holding tank. Presently, there are two chemical injection pumps feeding orthophosphate that are controlled by two booster pumps as they pressurize a 5,000-gallon pressurized hydro-pneumatic tank. From the pressurized vessel it delivers water to the distribution system which consists of 3" galvanized, 4" and 6" transite and copper piping. The system extends down the length of Twin Lakes Road with gaps between the ends of North Lake Circle and at the Oscaleta end of the road, North Lake Circle and Orchard Drive with approximately (4) houses having their own private well supply.

- Population: 366
- PWS ID: NY5903475
- Classification: NTC

Period of Service and Effective Date

- Contract will be in force from the date of signing (or an agreed date).
- Contract will remain in force for a period of two years. There will be an optional renewal period 3 months prior to the end of the contract where the existing contract or a new contract can be negotiated. If no contract is renewed or negotiated, it will be assumed we shall continue as the Operator Responsible in Charge (herein known as ORC). Termination of the contract can be done by either party with a letter two months prior to termination date or the sale of the water supply system. Any additional work beyond the scope of work shall be billed on a monthly basis and due payable within 30 days. In the event of termination or end of contract, an invoice of any outstanding work and materials will be billed and become payable immediately.

Scope of Services

We shall perform daily chlorine readings, orthophosphate readings, meter readings, pressure readings and general inspection of the equipment. On a weekly inspection we shall read propane level, inventory spare chemicals, inspect well heads, do a drive up the entire water distribution system and inspect for any problems or potential problems. On a monthly basis we shall submit Monthly Operating Reports, report to an appointed liaison of any issues, problems or supplies needed. We shall respond to all emergencies and routine calls in a timely fashion and report to the liaison how it is being addressed. We will respond to all shut off requests. Monthly operating reports will be submitted to Westchester County DOH, with a copy to the designated owner liaison.

What is included in our monthly cost:

- Sampling – All routine sampling will be performed by us or a certified laboratory.
- Communication by Operator with Owner, Administrative Contact and WCDOH.
- Reporting and compliance responsibilities (sampling, public notice, consumer confidence report or annual report (CCR), MOR, lead and copper reporting) Fines incurred for late filing will be responsibility of the operator.
- Yearly Sanitary Survey Inspection
- Weekly distribution inspection
- Basic equipment maintenance (lubrication and routine maintenance)
- Chemical make-up and feed equipment calibration
- Basic interior housekeeping
- Distribution system maintenance (Exercising of Main valve)
- New tap inspections, new construction inspection
- Master planning, strategic planning, facility planning involvement
- Customer service expectations: Will respond to all quality, quantity and emergency calls. Will go through liaison for all other calls.
- Plant performance assessments
- Budget assistance
- Record maintenance: distribution system appurtenances, including hydrant, gate valve/curb stop ties, etc.
- Updates to existing O&M manual and emergency response plan.

Compensation

- Base monthly charge \$2050
- Any lab bills sent to ORC shall be forwarded on a timely basis
- The owner shall pay the laboratory bill directly for services:
 - Required Water Tests per 2020 comprehensive sampling plan

<u>Test</u>	<u>Frequency</u>	<u>Due By</u>
<u>In-house testing:</u>		
○ Chlorine Residual:	Daily	-
○ Orthophosphate:	Daily	-
○ Water Parameters (pH,ortho)	1 biweekly at entry point	
○ Water Parameters (pH, ortho)	4 annually from distribution	
<u>Laboratory testing:</u>		
○ Water Parameters (alkalinity):	1 biweekly at entry point	
○ Water Parameters (alkalinity)	4 annually from distribution	
○ Coliform water:	1 test per month	-
○ Nitrate/nitrite:	1 every 1 year	-
○ Disinfection byproducts:	2 every 1 year	-
○ Lead and copper (distribution)	5 every 3 years	2021
○ Lead and copper (entry point):	1 every 3 years	2022
○ PIC/SIC:	1 every 3 years	2021
○ SOC:	2 every 3 years	2020
○ POC:	2 every 3 years	2020
○ Asbestos:	4 every 9 years	2021
○ Radiological:	3 every 3 years	2020

- The owner shall provide internet service
- \$125 per hour per worker for any work outside the description listed above.
- Locating a curb-stop shall be billed at \$100 per hour per worker, billable to the water supply owner (TLWW curb stops are owned by the customer).
- Backhoe: \$1100 per day (Partial day billing applies as applicable)
- Skid Steer: \$750 per day (Partial day billing applies as applicable)
- Water system owner has the option of purchasing chemicals, testing kits, as well as any and all materials.
- Any charges shall be approved by the water system owner prior to commencing repair or additional work apart from emergency situations in which ORC has tried unsuccessfully communicated with water system owner, but deems it necessary to restore, re-establish, or preserve water supply immediately.

Time and Method of Payment

- Payment shall be by check by the 10th of the month for the month being monitored.
Example: payment due by January 10th for the month of January.
- Two consecutive months of non-payment may be cause for termination of contract.
- Signing of this contract serves as an invoice. No other invoice will be generated unless it is for additional charges.
- Any additional charges will be invoiced and payable the following month.

Owner's Responsibilities

- The owner will notify the contract operator of any scheduled or unplanned system problems, repairs, or modifications that arise in the contract operator's absence.
- The owner is responsible for communicating all required regulatory information to the operator. The Owner is responsible for legal compliance with Local, State, and Federal regulations.
- The Owner is ultimately responsible for public communication and notifications.
Example: Emergency notice preparation and delivery of CCR's, etc.
- The Owner is responsible for financial capacity, including budgeting for all revenue and expenses, long-term planning, and fiscal controls.
- The Owner is responsible for providing accurate information to the operator relevant to the preparation and use of an O&M manual.
- The owner is responsible for billing and collections from customers, including bills for any required repairs to customer service lines.
- The owner retains the ability to access the facility at any time.
- Any and all existing equipment, including testing equipment, remain the property of the owner.
- The owner will provide the ORC with a list of owner contacts for emergencies.
- If the Owner has communicated regulatory requirements to the ORC, and the ORC fails to comply with those requirements, such as a failure to test as required, the ORC will remediate and will pay for any fees, fines, or additional tests that are required, without billing the Owner for said charges.
- The ORC will inform the owner of any regulatory changes that apply to the system that he learns from the department of health or other regulatory agency, or from required continuing education.

Insurance

The Owner is responsible for supplying general liability and negligence insurance for the water system. Operator will list water system owner as additionally insured on its policy.

Amendments and modifications

This contract may need to be modified or amended from time to time and is acceptable provided both parties agree.

Termination

Contract can be terminated by either party for cause at any time. All information acquired by the ORC and its company is the property of the water supply company and should be shared as part of the operation and any remaining information is due immediately upon termination.

Contract Effective Date:

1/1/2020

Contract End/Renewal Date:

Paul A. Lewis
Signature

Water System Owner / Legal Representative

PAUL A. LEWIS 12/27/19
Printed Name Date

Steven H. Woodstead
Signature

Designated Operator

Steven H. Woodstead 12/27/2019
Printed Name Date

Twin Lakes Operator Agreement
Rider revised July 24, 2019

WHEREAS, the parties hereto are engaged in discussions which they expect will culminate in the Owner selling the Water System to the Operator, and

WHEREAS, the parties hereto see valuable benefits for each of them, by inviting the Operator to operate the Water System prior to its sale the most important of which is to familiarize the Operator with the functioning of the Water System, and

WHEREAS the parties have agreed that the Operator will operate the Water System on the terms and conditions of the contract to which this Rider is appended, and

WHEREAS the parties desire to set forth the following additional and/or clarifying terms herein, they agree as follows:

1. The parties understand and agree that the relationship is that of independent contractor and that the operator is not an employee. The operator is expected to use his own skills and professional judgment; to select his own hours; to use his own tools and personnel and generally to select the means by which he fulfills his obligations hereunder. The operator is free to work for other persons and/or entities, including other water systems. The operator shall not be under the control of the Owner in regard to how he fulfills his obligations.
2. Operator shall maintain general liability insurance (A.M. Best B+ or better) in an amount at least \$1,000,000 per occurrence, and naming the Owner as additional insured. Operator shall provide proof of such insurance to the Owner prior to commencement of work hereunder.
3. Operator shall maintain appropriate worker's compensation and disability insurance for all workers accessing the site and shall provide proof of such insurance to the Owner prior to commencement of work hereunder.
4. Operator agrees to hold harmless and to indemnify the Owner from any liability, loss, claims and actions arising from the Operator's carrying out of this agreement, and to defend Owner, its officers and agents, from any claim for any damage or injury arising therefrom.
5. This agreement can be terminated for cause by either party upon reasonable notice, otherwise in accordance with the provisions hereinbefore provided. "Cause" shall include any material breach of agreement or decision by Operator or Owner not to pursue the purchase of the water system. Notices may be given by email, to the email address or addresses provided by the respective party; a party may require that a notice be sent to more than one email address, e.g. more than one officer, and/or counsel.

Dated: 12/27/, 2019

TWIN LAKES WATER WORKS CORP.

Paul G. Lewis

By: President, Title

STEVEN H. WOODSTEAD

Steven H. Woodstead

