

RECIPROCAL EMERGENCY WATER SALES AGREEMENT  
BETWEEN THE CITY OF BONNER SPRINGS, KANSAS AND  
WATER DISTRICT NO. 1 OF JOHNSON COUNTY

The City of Bonner Springs, Kansas, a municipal corporation engaged in the business of producing and supplying the City of Bonner Springs and its inhabitants and others with water for domestic, industrial and commercial purposes, hereinafter designated the “City,” and Water District No. I of Johnson County, Kansas, a quasi-municipal corporation engaged in the production and supply of water to the inhabitants within its boundaries, its wholesale customers and others, for domestic, industrial, commercial and fire protection purposes, hereinafter designated “WaterOne” (each a “party” or “utility”, and collectively the “parties” and/or “utilities”), in consideration of the mutual covenants hereinafter contained hereby make and enter into the following Agreement:

Section 1: Surplus Water Basis: All water provided under this Agreement shall be supplied on a Surplus Water basis. “Surplus Water” shall be defined as that quantity of water to be provided by the supplying utility that is available beyond the immediate needs of the supplying utility’s customers and sufficient reserves for routine fluctuation in demand. Each utility shall be the sole judge of whether it has available Surplus Water at that point in time.

Section 2: Water for Emergency Conditions: WaterOne and the City agree to supply Surplus Water to each other on a reciprocal basis at times of clear and definite Emergency Conditions where there is a temporary inability of either party to provide essential water service to its water customers through its existing water distribution systems. Such reciprocal emergency water interchange shall be at established point(s) of connection between the water systems of WaterOne and the City at the following locations:

1. 43<sup>rd</sup> Street and K-7 Highway
2. Other interconnecting points as mutually agreed upon by the parties.

Water for Emergency Conditions will be billed at a rate per thousand gallons as specified in Section 7(B).

“Emergency Conditions” is defined as sudden and unexpected failure of a component of the water supply, treatment and distribution system to the extent it actually interrupts or prevents minimal service to a substantial number of the utility’s customers, or an abnormal system demand such as a fire of extraordinary duration or over an extraordinary area, or a major pipe rupture substantially depleting reserves. Each utility shall be the sole judge of how much, if any, water can be made available at the time of the request for water during Emergency Conditions. A shortage of water caused by drought conditions does not constitute an Emergency Condition. In order to maintain a true “emergency” interconnect, the three-inch (3”) supply line within the interconnect vault will remain open, controlled by a Pressure Regulating Valve (PRV). The PRV is set to open when the City pressure drops below the normal “low pressure” point, about 60 psi.

Section 3: Water Supplied for Non-Emergency Conditions: Water that is supplied, but does not meet the criteria as an Emergency Condition, as specified in Section 2, will be considered a Non-Emergency Condition, which includes a normal fire condition, and will be billed at a higher unit rate per thousand gallons as specified in Section 7(C). It is further agreed that, from June 1 through September 15 of each year, prior to either party making a request for water for Non-Emergency Conditions, the requesting party shall have exhausted all reasonable means to reduce the demands of its customers by use of efforts such as, but not limited to, press releases, public information materials and outdoor watering restrictions.

Both parties agree that from time to time water may be authorized to be transferred from one utility to the other utility for the purposes of maintaining proper water quality at the points of connection listed in Section 2 and such small quantities may be allowed without invoking the activation fee or unit charges described in Section 7. This periodic transferring of water is for the purpose of maintaining proper water quality at the points of connection and is not intended to establish a relationship between the parties that would invoke state or federal regulatory communications to each utility's customers.

Section 4: Notification: The requesting party shall notify the supplying party as soon as possible regarding the obtaining of any supply of water for Emergency Conditions. The contact persons for WaterOne and the City, in order of priority for such contacts, are designated on the attached listing, EXHIBIT A, and incorporated herein by reference.

In the event of any change in the identity or priority of persons to be contacted or the telephone number, the party effecting the change shall immediately notify the other party by providing an amended comprehensive written list of updated contact persons, priorities, telephone numbers and effective date. Such amended list shall replace Exhibit A and remain in effect until subsequently revised.

It is further agreed that the party requesting water for Non-Emergency Conditions as specified in Section 3 hereof shall notify the supplying party by telephone, email, facsimile or other writing of the anticipated requirement at least five (5) days prior to the anticipated date for such needed water supply. Notification shall be pursuant to Exhibit A.

Section 5: Water Quality: Each utility will be responsible for providing the other with water which meets state and federal standards and regulations in effect at the time of the water transfer. The requesting utility will be responsible for contacting the Kansas Department of Health and Environment to determine the appropriate monitoring requirements. Depending upon the design of the interconnection piping on both sides of the interconnections, uncirculated water may become substandard and under any resulting substandard conditions the requesting utility will be responsible for all costs for flushing inadequately circulated water prior to distributing the water to their respective water supply system. Where flushing is required, the responsible utility will provide the flushing facilities and labor to perform flushing.

Section 6: Gradient: The pressure gradient for the delivery of water from either party will be whatever the normal operating gradient is as established by the supplier. It is understood that the hydraulic gradient of either water system fluctuates constantly due to normal system operating variables and that "Surplus Water" as defined in Section 1 is, in part, a function of said gradient. If the pressure gradients are such that Surplus Water does not flow in the correct direction 24/7, either entity, at its sole discretion may attempt to adjust such gradient to create the necessary flow or close the interconnect.

Section 7: Metering and Pricing:

- A. The supplying utility will charge the requesting utility a fee of One Hundred Dollars (\$100) for time and materials associated with activating a metered connection as an activation fee as well as a like service fee for each billing period thereafter during which water is supplied under this Agreement.
- B. Water which is provided under Emergency Conditions, as defined in Section 2 of this Agreement, shall be charged at the rate of \$1.44 per thousand gallons.
- C. Water provided for a Non-Emergency Condition, as specified in Section 3 of this Agreement, shall be charged at the rate of \$5.43 per thousand gallons.

- D. If the interconnection is not metered, then estimated volumes shall be derived by the supplying utility from its pressures and flows at the time the interconnect is utilized and the length of time in which the connection is open.
- E. The rate of charges stated within this Agreement will be subject to periodic review at the request of either party, and may be revised to a rate mutually agreeable to both parties. A memorandum executed by both parties specifying the revised rate of charge will be attached to this Agreement as a supplementary exhibit.
- F. Should the parties be unable to mutually agree upon a rate of charge after such request for periodic review, this Agreement may be terminated by either party. Neither party shall be liable to the other for any damages in the event the Agreement is terminated for this reason.
- G. Power Peak Rates: If either party makes a request for water under Emergency or Non-Emergency Conditions that causes the delivering party to establish a new peak power demand record for the purposes of electric utility billing rates, the requesting party shall be assessed a 25% surcharge, to be applied to the billing cycle in which the new peak power demand occurred.

Section 8: Duration of the Agreement: The duration of this Agreement shall be five (5) years commencing May 1<sup>st</sup>, 2018 and shall automatically renew thereafter for successive one year terms on the anniversary date of May 1<sup>st</sup> upon the same terms and conditions therein. Either party may terminate this Agreement according to Section 7, Subsection E or otherwise by notifying the other party in writing at least six (6) months in advance of the date it elects to terminate the Agreement.

Section 9: Limitations: It is understood and agreed between WaterOne and the City that no situation as contemplated by this Reciprocal Emergency Water Sales Agreement shall provide either utility with the right to purchase wholesale water from the other, and that the purchase as contemplated herein shall be limited to only the conditions as described in this Agreement.

Neither party shall be liable to the other for any damages if the supplying party is unable to furnish Surplus Water as described in this Agreement.

Section 10: Public Relations: In the interest of public relations, so that customers of both the City and WaterOne are the recipients of factual and timely information, it is agreed by both the City and WaterOne that either organization, through its public relations contact person listed below, will be notified of any informational materials that will be released to the public by the other that reference understandings contained in this Agreement and that such materials will be transmitted to the City and WaterOne in advance of the release. Such informational materials include, but are not limited to, press releases, special customer mailings and public notices.

Section 11: Maintenance of Items at the Emergency Interconnect Site: Each Party is responsible for the ongoing maintenance and repair of the portions of equipment and property owned by them at the site to a level that it can be put into full operation under “Emergency Conditions” as described above in Section 2.

The ownership of the 43<sup>rd</sup> Street and K-7 Highway interconnect site is as follows: WaterOne owns and maintains the vault, piping and valving. Bonner Springs owns and maintains all assets after the meter including the isolation valve and piping.

Section 12: Entire Agreement: This Agreement constitutes the entire and final agreement and understanding between the parties with respect to the subject matter hereof and supersedes all prior oral and written communications, understandings, and agreements related to the subject matter hereof, which are of no further force or effect. This Agreement may only be modified or supplemented by an instrument in writing executed by a duly authorized representative of each party.