

**AGREEMENT BETWEEN THE CITY OF MILWAUKEE
AND THE VILLAGE OF GREENDALE FOR
THE PURCHASE OF WATER AT WHOLESALE**

This Agreement, made as of the ____ day of _____, 2012 by and between the City of Milwaukee, operating as a public water utility (“Milwaukee”) and the Village of Greendale, operating as a public water utility (“Greendale”).

Whereas, Greendale desires to continue the purchase of water from Milwaukee at wholesale; and

Whereas, under current law, Milwaukee has an obligation to provide water service to Greendale at rates approved by the Public Service Commission of Wisconsin (“Commission”); and

Whereas, The Milwaukee Water Works constructed facilities to ensure that Greendale and other wholesale customers receive water service and continues to incur the obligation to maintain those facilities; and

Whereas, Milwaukee must be assured that purchasers of large quantities of water will continue to obtain their supply from Milwaukee so that it may prudently plan and that facilities will not be rendered either functionless or partially functionless; and

Whereas, Greendale desires to be assured that Milwaukee continues to have the facilities necessary to provide Greendale with water service and a supply of water;

Now therefore, in consideration of the mutual covenants hereinafter expressed, it is agreed as follows:

I. Definitions

(a) Water Service – Under this agreement, except as otherwise provided in paragraph II (i) of this agreement, unlimited, uninterrupted service of standard quality water as follows:

| Location | Elevation (NGVD) (Center of Intersection) | Minimum Hydraulic Grade (NGVD) At Specified Flow Rate | Flow Rate (MGD) | Guaranteed Aggregate Instantaneous Flow Rate (MGD) |
|---|---|---|--------------------|---|
| S. 60 th St At W. Edgerton Ave. | 817.0 ft. | 925.0 ft. | Not less than 5.25 | Not less than 5.25 |
| S. 68 th St At W. Edgerton Ave. | 788.0 ft. | 925.0 ft. | Not to exceed 2.0 | |
| S. 43 rd St. at W. College Ave | 810.0 ft. | 920.0 ft. | Not to exceed 2.0 | |

Additional supply may be available but is not guaranteed by contract. See Appendix A for future water use estimates.

This does not apply when the requirement of any state or federal governmental agency having jurisdiction may require otherwise.

- (b) Commission – Public Service Commission of Wisconsin
- (c) Emergency – A situation caused by an act of God or circumstances beyond the control of the Milwaukee Water Works which results in the Milwaukee Water Works not meeting the requirements of service as contained in this Agreement.
- (d) Service Area – Area to be served with water. The boundary of the Service Area is set out in the map attached as Appendix B. Detailed information about properties served outside of the Village of Greendale is shown in Appendix C.
- (e) Standard Quality Water - Water that meets the standards of federal and state agencies having authority to establish water quality standards that uniformly apply to Milwaukee and its customers and as those standards may be amended from time to time.

II. Greendale agrees that:

- (a) This Agreement shall be subject to applicable rules and regulations of the Milwaukee Water Works on file with the Commission, as those rules and regulations may be amended from time to time. Greendale shall be subject to reasonable restrictions that are uniformly imposed by Milwaukee throughout its service area and on its other retail and wholesale customers, specifically with respect to the above rules and regulations. These restrictions are subject to approval by any state or federal governmental agency having jurisdiction.
- (b) The rates or charges for service at wholesale for water supplied to Greendale shall be those established by the Commission.
- (c) Greendale shall grant permits at standard fees within the boundaries of the service area that are necessary to effectuate Milwaukee's construction, maintenance, alteration or operation with respect to service under this Agreement subject to applicable village ordinances and codes, state statutes and administrative rules. Greendale will not tax Milwaukee-owned Water Works facilities located in the service area.
- (d) Greendale shall obtain all of its water from Milwaukee for distribution in the Service Area except as provided in Section II (j).
- (e) Greendale shall pay to Milwaukee, in accordance with the billings of Milwaukee, the full and correct amount of such billings to be computed upon the prevailing rates and charges as provided in paragraph II (b).
 - 1. Greendale shall furnish and install master wholesale water meter enclosures, complete with meter settings but without meters. Meters shall be supplied by Milwaukee and paid for at cost by Greendale. Milwaukee shall be

- responsible for the cost to install the meters. Milwaukee shall provide, install and maintain equipment for electronic monitoring of meters and any other Milwaukee-owned electronic equipment in the meter enclosure
2. Greendale shall provide and pay for electric power at meter enclosures as required for the proper operation of Milwaukee's meters and electronic communication equipment.
 3. Greendale shall at all times maintain electrical power to all meter enclosures where Milwaukee Water Works Meters are installed.
- (f) Greendale shall limit water service as follows:
1. The area to be served for wholesale purposes under this Agreement shall be as outlined in Section I(d). No water purchased by Greendale under this agreement may be resold or exchanged on a wholesale or retail basis outside this Service Area without the permission of Milwaukee. No water purchased by Greendale under this agreement may allow Greendale to sell or exchange well water or ground water on a wholesale or retail basis to any other municipality in existence as of the date of this agreement or to any properties therein with the exception of emergency service.
 2. In the event that prudent management, public safety and good operation require a readjustment of the boundaries of the Service Area as distinct from the municipal corporate boundaries, the mutual consent of both parties to this Agreement is necessary as a condition precedent to effecting a readjustment of service-area boundaries subject, however, to such action as the Commission may take in the exercise of its regulatory powers.
 3. In the event that Greendale's municipal boundaries shall be either extended or enlarged in any manner whatsoever as a consequence of any consolidation or merger with any other municipal entity or political subdivision, then, and except as may otherwise be provided by law, there shall be no duty or obligation under this Agreement on the part of Milwaukee to provide water to any area other than that delineated in Section I(d). Milwaukee reserves the option, however, of providing water service to the enlarged area.
- (g) Greendale shall pay all costs, charges, fees, and all expenses incidental to construction, maintenance, and operation of its own water distribution system located within the Service Area, and all costs, charges, fees, and expenses that may be entailed or incurred in providing any mains or any other distribution facilities from the MWW distribution system to the Greendale corporate

limits with the exception of items Milwaukee is responsible for in Section II (e) 1, III and IV.

- (h) All plans and specifications for new or modified metering stations, re-pumping stations, storage facilities, existing and future connection points to Milwaukee or any other system, and all other distribution improvements or extensions shall conform to the standards prescribed by the Wisconsin Department of Natural Resources. Plans and specifications for existing and future connection points to Milwaukee or any other system, and distribution improvements or extensions 16 inches or larger in the Greendale distribution system shall be reviewed by Milwaukee prior to the time contracts are awarded or materials are purchased to assess the impact of the proposed changes on Milwaukee's system. Milwaukee shall review all plans and specifications submitted by Greendale under this paragraph and respond in writing within 30 days of the date the plans and specifications are submitted. The written response will indicate no anticipated impact or will identify concerns regarding the proposed improvements. If concerns are identified, both parties agree to meet to discuss the concerns and to make a good faith effort to resolve to mutual satisfaction. In the event that the proposed changes would require capital expenditures by the Milwaukee Water Works the parties will address whether cost sharing for Milwaukee's improvements is appropriate.
- (i) Milwaukee may place restrictions upon the use of water by Greendale as a result of an occurrence that is an Emergency or is related to a breakdown of Milwaukee's facilities. Any restriction so placed will be done in a manner consistent with the restrictions placed upon similarly situated customers. Milwaukee shall give Greendale as much prior notice as is reasonably possible of any such restrictions.
- (j) Whenever Milwaukee does not provide adequate water service, Greendale may obtain emergency water service from any other source but only for the specific period of time that Milwaukee is unable to provide that supply. In an emergency during which Greendale is unable to provide water supply to its customers, Greendale may obtain emergency water service from any other source but only for the specific period of time that Greendale is unable to provide that supply.
- (k) Greendale agrees to defend and hold harmless Milwaukee from any claims or causes of action of whatever nature arising from Greendale's negligence, intentional actions, or breach of the expressed warranties and covenants contained in this Agreement or any liabilities which may be incurred by the City of Milwaukee arising from an action challenging the authority of the City of Milwaukee to make this Agreement. The indemnity provisions of the Agreement shall survive its termination and shall continue in full force and effect.

- (l) If Greendale terminates its purchase of water from Milwaukee at any time other than renewal without the consent of Milwaukee, Greendale shall compensate Milwaukee as follows: Greendale agrees to pay to Milwaukee the total amount of charges paid to the Milwaukee Water Works for water service in the prior two full calendar years. This includes general service, public fire protection, and commodity charges. These charges shall be paid to Milwaukee within 30 days of the termination.

III. Milwaukee agrees as follows:

- (a) To provide Adequate Water Service to Greendale.
- (b) Subject to the provisions of II (h), Milwaukee shall pay the costs, charges, fees, and expenses that relate to the operation and , maintenance of its own water system that may be devoted in whole or in part to service Greendale as provided for in this Agreement, except for specific items identified as being the responsibility of Greendale .
- (c) Milwaukee shall pay all costs and expenses incurred as a result of testing metering devices and appurtenances with respect thereto.
- (d) Except as otherwise provided in this Agreement, Milwaukee does hereby grant to Greendale authority to install flow control, security, and electronic monitoring equipment at interconnection points between the two systems, namely Milwaukee and Greendale, so long as Greendale's equipment does not interfere with Milwaukee's equipment.
- (e) Milwaukee warrants that all water purchased or delivered under this Agreement has been treated in accordance with and meets all applicable state and federal regulations. There are no warranties provided that extend beyond the above description.
- (f) Milwaukee agrees to defend and hold harmless Greendale from any claims or causes of action of whatever nature arising from Milwaukee's negligence, intentional actions, or breach of the expressed warranties contained in this Agreement or any liabilities which may be incurred by Greendale arising from the making of this Agreement. The indemnity provisions of this Agreement shall survive its termination and shall continue in full force and effect.
- (g) Milwaukee will make available to Greendale the meter data signal pursuant to Section II (e) 1 above.
- (h) Milwaukee will provide to Greendale, within 10 days of filing, a copy of its application to the Commission for adjustment of its water rates.

IV. Milwaukee and Greendale hereby mutually agree:

- (a) That this Agreement is subject to the approval of the Common Council of Milwaukee and the Village Board of Greendale, and after execution by both parties, Milwaukee shall file a copy of

the Agreement with the Commission. Approval of the Common Council and Village Board of both communities shall be evidenced by adoption of appropriate resolutions approving this Agreement.

- (b) The effective date of this Agreement shall be the date upon which the Commission acknowledges the Agreement in such manner as the Commission shall deem appropriate.
- (c) This Agreement shall be governed by, construed, and enforced under and in accordance with the laws of the State of Wisconsin.
- (d) This Agreement shall remain in full force and effect for ten years from and after the effective date of this Agreement and shall automatically renew for subsequent ten-year periods. Any party wishing to not renew this Agreement at the conclusion of the initial term, or any ten-year term, must submit a written notice of non-renewal at least 24 months prior to the date the Agreement would otherwise automatically renew. The party to whom a notice of non-renewal is submitted shall acknowledge receipt of the notice in writing within 30 days of the date of the notice.
- (e) Termination of this Agreement at any time other than renewal requires the mutual consent of both parties. A party shall give or withhold its consent in writing within 90 days of being formally requested to give its consent.
- (f) The parties agree to act in good faith and use due diligence in meeting their respective obligations under this Agreement.
- (g) This Agreement may be executed in counterparts, which together shall constitute a single contract.
- (h) If the parties are unable to resolve a dispute over the terms and conditions of this Agreement, either party may request in writing that the matter be submitted for determination by an arbitrator. A party shall give or withhold its consent in writing within 90 days of being formally requested to give its consent. Upon mutual consent of both parties to proceed, the parties shall appoint one arbitrator. If the parties cannot agree on the arbitrator, the arbitrator shall be selected by a judge in a court of competent jurisdiction. The arbitrator may hold such hearings and require such briefs as the arbitrator determines to be necessary. The arbitrator shall issue a written decision within 15 business days of the final hearing or the final submission of any material requested by the arbitrator. The decision of the arbitrator shall be binding upon Milwaukee and Greendale. The cost of arbitration shall be equally shared and paid by Milwaukee and Greendale.
- (i) This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the parties hereto, but neither this Agreement nor any of the rights, interest, or obligations hereunder shall be assigned by either of the parties hereto without the prior written consent of the other party.

- (j) All notices, requests, demands, and other communications under this Agreement shall be in writing and shall be deemed given if personally delivered or mailed, certified mail, return receipt requested to the following addresses:

If to Greendale:

Greendale Water Utility
Attention: Director of Public Works
P.O. Box 257
Greendale WI 53129-0257

If to Milwaukee:

Milwaukee Water Works
Attn: Superintendent
841 N. Broadway Rm. 409
Milwaukee WI 53202

IN THE PRESENCE OF:

CITY OF MILWAUKEE, operating as a
Public Water Utility

Mayor

City Clerk

COUNTERSIGNED:

City Comptroller

IN THE PRESENCE OF:

VILLAGE OF GREENDALE, operating
as a Public Water Utility

Village Manager

Village Attorney

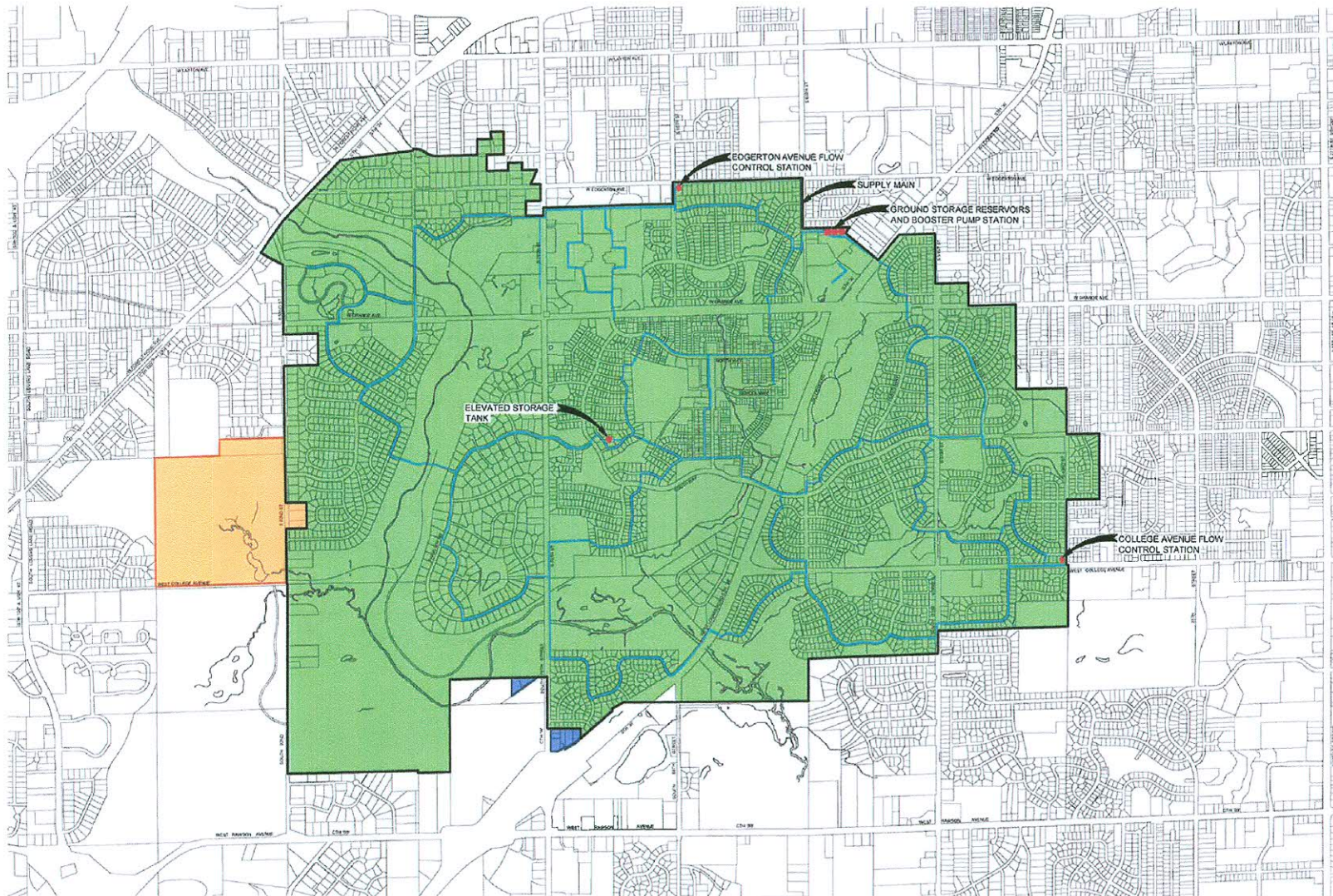
Village Clerk/Treasurer

Appendix A

Village of Greendale Water Use Estimates

| Year | Flow Rate, mgd | | |
|----------------------------------|----------------|-------------|-----------|
| | Average Annual | Maximum Day | Peak Hour |
| 2015 | 1.516 | 3.336 | 5.004 |
| 2020 | 1.512 | 3.326 | 4.999 |
| 2025 | 1.508 | 3.318 | 4.977 |
| 2030 | 1.504 | 3.309 | 4.963 |
| 2035 | 1.500 | 3.300 | 4.950 |
| Proposed Design Capacities | 1.60 | 3.50 | 5.25 |

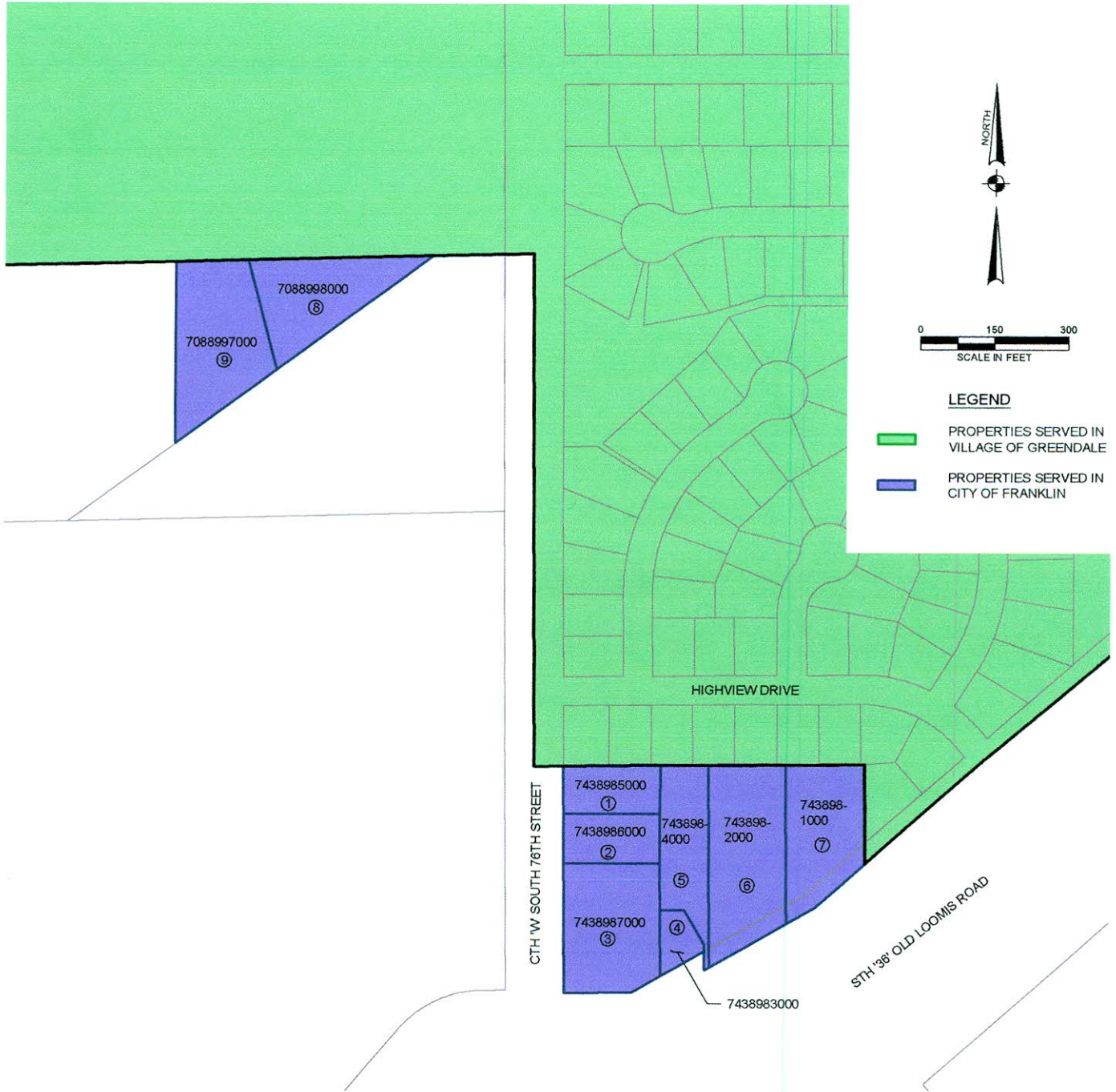
Appendix B



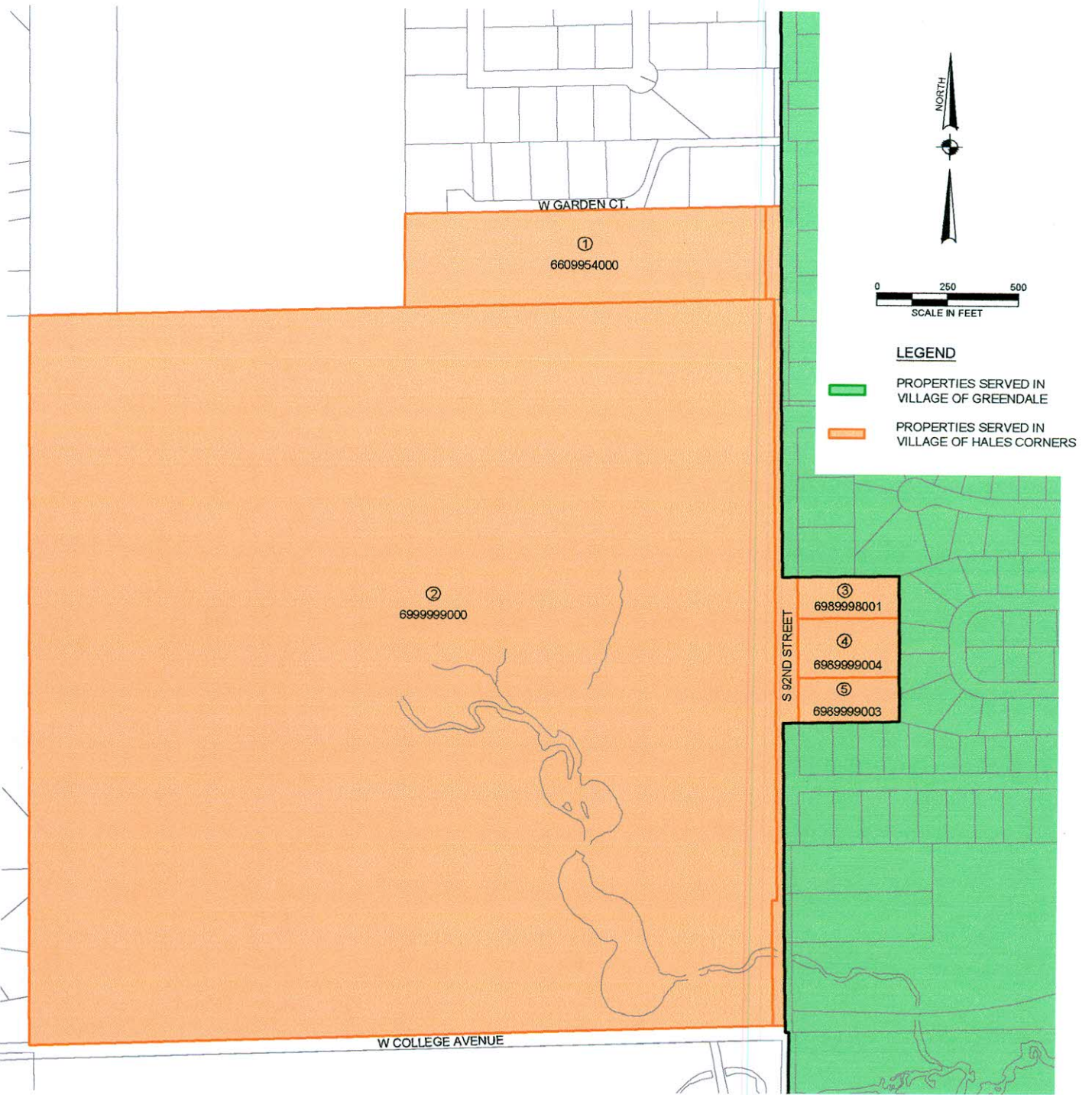
LEGEND

- PROPERTIES SERVED IN VILLAGE OF GREENDALE
- PROPERTIES SERVED IN VILLAGE OF HALES CORNERS
- PROPERTIES SERVED IN CITY OF FRANKLIN
- VILLAGE BOUNDARY
- SUPPLY MAIN
- TRANSMISSION MAINS
- BOOSTER PUMP STATION
- ELEVATED STORAGE TANK
- GROUND STORAGE RESERVOIR
- FLOW CONTROL STATION

Appendix C



| PARCEL INFORMATION | | | |
|--------------------|------------|------------------------|--------------|
| NO. | TAX KEY | ADDRESS | MUNICIPALITY |
| 1 | 7438985000 | 6776 S 76TH STREET | FRANKLIN |
| 2 | 7438986000 | S 76TH STREET | FRANKLIN |
| 3 | 7438987000 | 7520 W OLD LOOMIS ROAD | FRANKLIN |
| 4 | 7438983000 | 7450 W OLD LOOMIS ROAD | FRANKLIN |
| 5 | 7438984000 | 7438 W OLD LOOMIS ROAD | FRANKLIN |
| 6 | 7438982000 | 7432 W OLD LOOMIS ROAD | FRANKLIN |
| 7 | 7438981000 | 7412 W OLD LOOMIS ROAD | FRANKLIN |
| 8 | 7088998000 | 6669 S 76TH STREET | FRANKLIN |
| 9 | 7088997000 | S 76TH STREET | FRANKLIN |



| PARCEL INFORMATION | | | |
|--------------------|------------|--------------------|---------------|
| NO. | TAX KEY | ADDRESS | MUNICIPALITY |
| 1 | 6609954000 | | HALES CORNERS |
| 2 | 6999999000 | 5879 S 92ND STREET | HALES CORNERS |
| 3 | 6989998001 | 6060 S 92ND STREET | HALES CORNERS |
| 4 | 6989999004 | 6088 S 92ND STREET | HALES CORNERS |
| 5 | 6989999003 | 6114 S 92ND ST | HALES CORNERS |