

Received July 17 2007
 at 3:00 PM
 Recorded in Book 307 Page 441-442
 Attest Merida Joherty Asst. Town Clerk

**BELLOWS FALLS VILLAGE CORPORATION
 AND
 TOWN OF WESTMINSTER**

WATER AGREEMENT

This Agreement is entered into by and between the Bellows Falls Village Corporation, a municipal corporation located in the County of Windham and State of Vermont acting through its Trustees, and the Town of Westminster, a municipal corporation located in the County of Windham and State of Vermont acting through its Selectboard. This Agreement takes the place of and supersedes the previous Agreement executed as of the 26th of September 1996.

WHEREAS, water lines from Bellows Falls Village Corporation water system have previously been extended into the Town of Westminster as shown on the attached Exhibit A, marked System A, attached hereto; and

WHEREAS, additional water lines will be extended into the Town of Westminster as shown on the attached Exhibit A, marked System B, attached hereto; and

WHEREAS, the Bellows Falls Village Corporation and the Town of Westminster desire to enter into this Agreement to expressly outline the rights and responsibilities between the parties relating to said water lines and hydrants;

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

1. The Bellows Falls Village Corporation water lines, which have been or will be extended into the Town of Westminster are recognized as, and shall remain, the property of the Bellows Falls Village Corporation as well as any future extensions of the system.
2. The Bellows Falls Village Corporation water lines shall not be listed in the Grand List of the Town of Westminster for taxation.
3. Real property in the Town of Westminster located within one thousand (1,000) feet of a Bellows Falls Village Corporation hydrant will be assessed a fire protection water fee based on a uniform rate established by the Bellows Falls Village Trustees. This rate shall be applied against the assessed value of the real property based on the aggregate Fair Market Values of each of the municipalities for the preceding year as established by the Vermont Department of Taxes, Division of Property Valuation, and as further adjusted to the common level of appraisal between the municipalities. Notwithstanding the foregoing, in Westminster, the fire protection water fee will be assessed against only those properties located within one thousand (1,000) feet of a Bellows Falls Village Corporation hydrant which meets Insurance Services Organization (ISO) standards.

4. The fire protection water fee and all charges for water service from the Bellows Falls Village Corporation water lines shall be the property of the Bellows Falls Village Corporation. The Town of Westminster assumes no liability for the billing, collection or enforcement of collecting of said fire protection water fees or water charges.
5. The Town of Westminster shall, in July of each year, provide the Bellows Falls Village Corporation with a copy of the tax maps or other suitable documentation showing property lines, parcel numbers, owners' names, and mailing addresses and the assessed value of each parcel of real property served by a Bellows Falls Village Corporation water line or located within one thousand (1,000) feet of a Bellows Falls Village Corporation hydrant as measured along a public or private road..
6. The Town of Westminster shall have the right to draw water from Bellows Falls Village Corporation hydrants for use of the Town of Westminster in fighting fires in the vicinity of the hydrant without any rent or charge. The Bellows Falls Village Corporation hydrants located within the Town of Westminster shall be tested periodically, and in no event less than every five (5) years, to verify that the hydrants meet the Insurance Services Organization (ISO) standards.
7. All costs of maintenance and repair of Bellows Falls Village Corporation water lines and hydrants shall be the sole responsibility of the Bellows Falls Village Corporation. Notwithstanding the foregoing, any damage caused by the negligent or intentional conduct of the Town of Westminster, its agents or employees, shall be the responsibility of the Town of Westminster.
8. This Agreement specifies two water districts in Westminster identified as System A (Kissell Hill and portion of Route #121) and System B (North Westminster or Gageville), as shown on the attached Exhibit A.
 - a) All properties will be assessed connection fees, a minimum basic service charge, and a use charge calculated per hundred (100) cubic feet of water.
 - b) Additionally, System A properties have been and will continue to pay a 10% higher rate than Bellows Falls users who have been paying all bonded indebtedness for the system.
 - c) System B properties will pay the charges listed in paragraph 8.a), will not pay the 10% higher rate set out under 8.b) during the first thirty years of this agreement, but during the first 30 years of this agreement will pay an additional surcharge to cover the bond payment required to extend the system into the North Westminster or Gageville area. This surcharge is calculated as follows: 50% of the annual bond payment divided by the number of users in System B. Example: If the bond payment is \$12,150 and there are 40 users in System B, the surcharge will be \$303.75.
 - d) During the term of the bond repayment, users who do not connect during the initial construction and connection period may connect upon payment of a surcharge for each year of the system's existence in accordance with the following schedule:

Year 0: 1st year of surcharge payment; based on the number of actual users connecting at the time of completion;

Years 1-10 from the date of final completion: # years from the date of final completion x annual surcharge payment (based on the surcharge at the time the connection is made);

Years 11-20 from the date of final completion: 10 x the annual surcharge payment of year 10;

Years 21-30 from the date of final completion: 10 x the annual surcharge payment less 10% for each year past 20 years.

- e) The amount of the bond repayment surcharge will be recalculated the first of every fiscal year (July 1) to reflect additional users and their back payments.
9. All rules and regulations governing the Bellows Falls Village Corporation water system shall apply to that portion of the water system located within the Town of Westminster unless otherwise addressed in this agreement. The Bellows Falls Village Corporation shall provide reasonable notice to the Town of Westminster of any proposed changes other than rates.
 10. If any new fire districts are formed to take on the responsibilities of water service for certain areas, the Bellows Falls Village Corporation shall have the right to enter into separate contracts with the fire districts for water service.
 11. No further extension of the Bellows Falls Village Corporation water system shall occur within the Town of Westminster without prior written approval of both parties.
 12. The Town of Westminster shall indemnify and hold harmless the Bellows Falls Village Corporation, its agents and employees, from any claim, demand, or cause of action arising out of or relating to the conduct of the Town of Westminster, its agents or employees.
 13. The Bellows Falls Village Corporation shall indemnify and hold harmless the Town of Westminster, its agents and employees, from any claim, demand, or cause of action arising out of or relating to the conduct of the Bellows Falls Village Corporation, or its agents and employees, with respect to the water extension and connection process and subsequent repair, maintenance and replacement of the water system.
 14. The Bellows Falls Village Corporation shall, at its sole cost and expense, replace and restore all roads, culverts, and infrastructure to the same condition as they were in at the time of the water system installation and that such duty to replace and repair shall be ongoing and apply to any subsequent maintenance, repairs or replacement of the water system.
 15. This instrument contains the entire agreement between the parties and no change or modification of this Agreement shall be valid without the prior written approval of both parties.
 16. This Agreement replaces and supersedes any previous agreements between the parties relating to water usage, assessments, charges or fees.

END OF AGREEMENT

IN WITNESS WHEREOF, the Bellows Falls Village Corporation and the Town of Westminster have caused this instrument to be executed in duplicate, effective as of the 10th day of July, 2007.

Town of Westminster Selectboard

Bellows Falls Village Corporation Trustees

Craig Allen, Chair

Clark Barber
Clark Barber, Village President

Peter E Barrett
Peter Barrett

Gary DeRosia

David Clark
David Clark

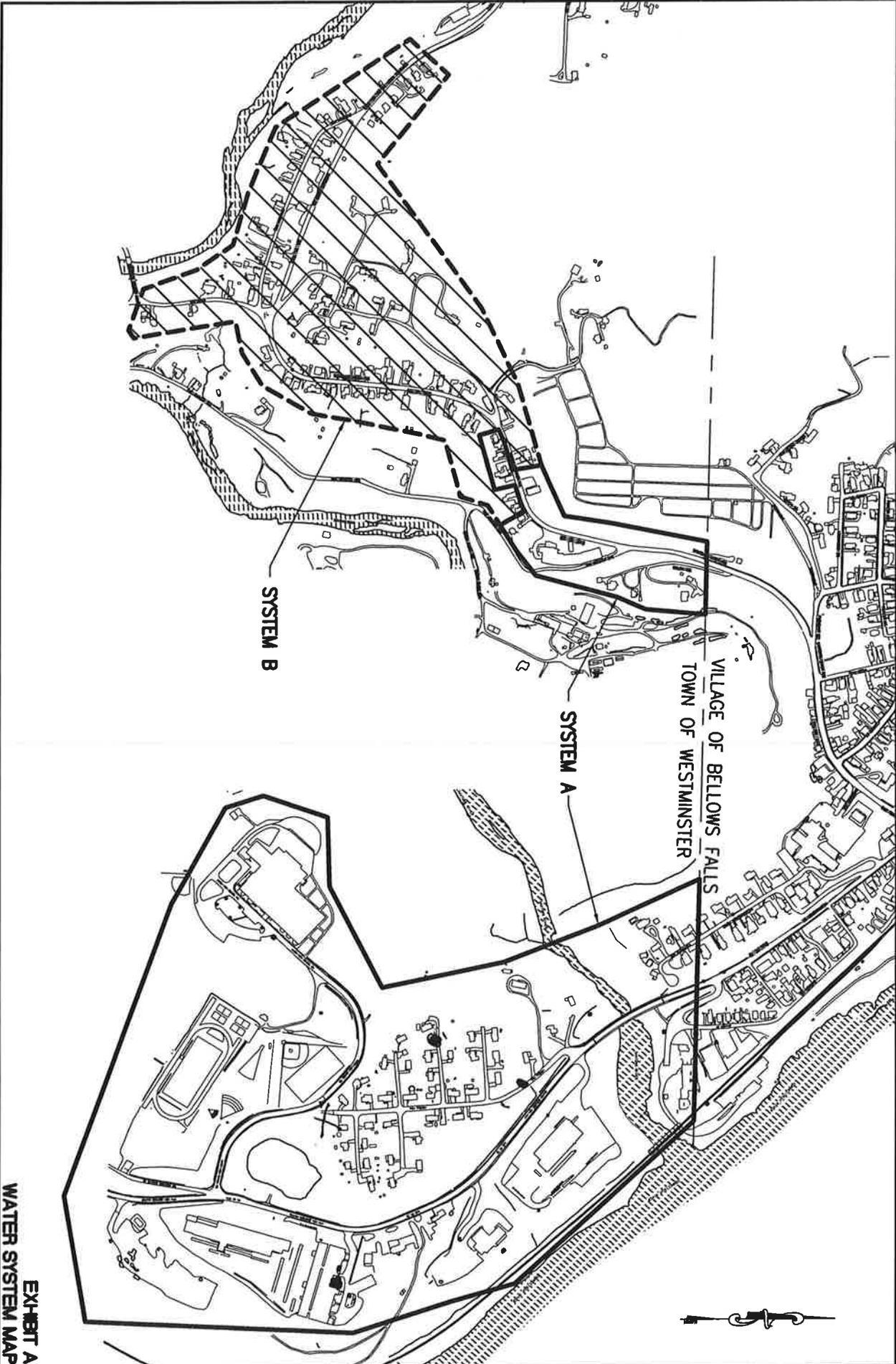
Stefan Golec
Stefan Golec

Christopher Harlow
Christopher Harlow

Dennis M. Ladd
Dennis Ladd

Paul Harlow
Paul Harlow

Roger Riccio
Roger Riccio



SYSTEM B

SYSTEM A

VILLAGE OF BELLOWS FALLS
TOWN OF WESTMINSTER

EXHIBIT A
WATER SYSTEM MAP

BK0307P00445