

## 2025-2032 VILLAGE OF VERNON SUPPLY AGREEMENT

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April 15, 2025

THIS AGREEMENT, MADE THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2025, by and between the **CITY OF ONEIDA, NEW YORK**, a municipal corporation located in the County of Madison and State of New York and hereinafter referred to as the "CITY", and the **VILLAGE OF VERNON**, a village organized under and pursuant to the Laws of the State of New York, and located in the County of Oneida, and hereinafter referred to as the "VILLAGE".

### WITNESSETH:

That the parties hereto, in consideration of covenants and agreements hereinafter contained, do hereby covenant and agree, each with the other, as follows:

1. That the CITY shall properly keep and maintain in repair, at its own cost and expense, the present system of water mains and accessories, up to the master meters located next to Sconondoa Creek, in, by and through which said VILLAGE presently obtains water from said CITY, subject to continued agreements with intervening districts. The VILLAGE shall be responsible for the maintenance of all mains and accessories after and including the master meters located next to Sconondoa Creek.
2. The VILLAGE shall maintain a contract with the Town of Vernon, acting on behalf of the Skenandoah-Highbridge Water District, for use of the mains constructed as part of Skenandoah-Highbridge Water District.
3. During the term of this Agreement, the CITY covenants and agrees that it shall sell and deliver to the VILLAGE from the present system of mains and leased mains to the "Master Meter(s)" next to Sconondoa Creek on Sholtz Road in the Town of Vernon, New York, from the CITY'S Florence Creek water supply, such an amount of water not to exceed five hundred thousand (500,000) gallons per day on an average monthly basis, as VILLAGE shall request, except in the case of temporary scarcity of water.
4. The VILLAGE covenants and agrees that it shall not draw water at a rate greater than five hundred (500) gallons per minute at any time, unless prior approval is first obtained from the CITY.
5. The said VILLAGE covenants and agrees that it will maintain and enforce rules and regulations for the protection of the public water system for its customers as stringent as those applicable in the CITY, all service connections are to be metered, and appropriate water conservation measures will be taken.
6. The VILLAGE covenants and agrees that it shall continue to use the water that it purchases from the CITY as its sole source of water during the term of this Agreement, covering the VILLAGE'S requirements up to five hundred thousand (500,000) gallons per day (monthly average). Nothing herein shall be construed to prohibit the procurement by the VILLAGE of supplemental sources of supply to meet needs in excess of five hundred thousand (500,000) gallons per day (monthly average) or covering circumstances in which the CITY is unable to meet the volume agreed to herein.

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7. The rate VILLAGE agrees to pay and the CITY agrees to accept for all water taken and delivered as aforesaid, shall be determined as hereinafter described.
8. The CITY shall prepare its budget for the Water Department for the calendar year. Using said budget, the base water rate for the calendar year shall be determined using the method outlined in Appendix A, "Future Water Rate Adjustments," as it appears in the Water Rate Study prepared by O'Brien and Gere Engineers, Inc., dated November 1979. Said report being the same report as received and placed on file by the Common Council of CITY in December 1979.
9. The said base water rate shall be multiplied by a factor of 1.08, such surcharge shall be appropriated to a reserve fund for future capital improvements to benefit both the CITY and VILLAGE. This shall be the water rate for all water taken and delivered to VILLAGE below an average daily consumption of five hundred thousand (500,000) gallons per day on an average monthly basis.
10. Should the VILLAGE exceed an average daily consumption of five hundred thousand (500,000) gallons per day, on an average monthly basis for a period of one month, the VILLAGE shall pay an excess demand charge, equal to a ten per centum (10%) surcharge on the above water rate, for all water use greater than an average of five hundred thousand (500,000) gallons per day, on an average monthly basis. The excess demand charge shall not apply if the average daily consumption is over the five hundred thousand (500,000) gallon limit as a result of a natural disaster, such as a major fire, or a water main break.
11. The said tentative water rate and any surcharge as determined by the CITY for the following year shall be presented to the VILLAGE for comment by October 1. Any objections to the proposed water rate and surcharge or the method by which it was calculated shall be made in writing to the Mayor of the CITY within thirty (30) calendar days of receipt of the rate and surcharge by said VILLAGE.
12. The CITY shall bill and the VILLAGE shall pay for all water taken and delivered as aforesaid on a monthly basis. Upon reading of the Master Meters for the VILLAGE, the CITY shall submit to the VILLAGE a bill based thereon on or before the 5th day of each month. In the event said bill is issued after the 5th day of the month, the VILLAGE shall have the same number of additional days after the 25th of said month before receiving a penalty thereon. Payments not received by the 25th day of the month of billing shall receive a ten per centum (10%) penalty thereon.
13. The amount of water delivered by said CITY and to be paid for by said VILLAGE is to be determined by the readings of said Master Meter(s), subject to suitable checking by the CITY from time to time. In the event such Master Meter(s) fail to register properly, the bill shall be based on water consumption for the previous month when said such meter(s) did register correctly, unless extraordinary circumstances warrant an investigation by the CITY. And, provided, further, that if the operation of said Master Meter(s) is not satisfactory to the CITY, or becomes out of repair, it is then agreed that the VILLAGE will have such Master Meter(s) repaired or replaced at the VILLAGE's expense.

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14. The VILLAGE covenants that it shall not hold the CITY responsible for any damages that it may sustain through the failure of the CITY to deliver an adequate supply of water to the VILLAGE by reason of the failure of water supply through causes beyond human control, such as unusual droughts, the breaking of mains or the reservoir dam, or equipment failure.
15. The CITY covenants and agrees that it shall not enter into any contract or undertaking which shall jeopardize the rights of the VILLAGE or adversely affect the water supply to the VILLAGE by reduction of pressure and quality under this Agreement; nor prevent the CITY from fully and properly carrying out the provisions of this Agreement.
16. The VILLAGE agrees that it shall maintain an agreement with and an emergency connection with the Sherrill-Kenwood Water District. Consumption from Sherrill-Kenwood Water District under emergency conditions through this connection shall not be considered for supply limits (paragraph 3), or excess demand charge (paragraph 10) or volume that base rate calculations are utilized (paragraph 9).
17. The said VILLAGE covenants and agrees that it will not make any extension to the water mains presently situated outside the Village of Vernon limits without prior written approval of the CITY. The existing limits of service outside the village are shown on Exhibit A.
18. As long as the VILLAGE shall purchase all of its water from the CITY and the VILLAGE shall not provide further treatment to the water other than chlorination, recognizing that:
  - A. That the water systems of both parties shall be considered consecutive for inorganic, organic, radiological and physical quality and entry point turbidity.
  - B. That the water systems of both parties shall not be considered consecutive for microbiological, distribution turbidity, and disinfection by-products.
  - C. That the CITY shall collect water samples as required by New York State Department of Health in Section 5 of the Sanitary Code, excluding microbiological samples and other routine monitoring samples such as chlorine residual, distribution asbestos monitoring, turbidity, and other distribution samples as may be added from time to time by new regulations.
  - D. That the CITY shall record the results of the water sample analyses and make all reports as designated by New York State Department of Health for samples taken by said CITY. The VILLAGE shall report the results of the samples that it takes, including the monthly operating report.
  - E. That both parties shall perform the required public notification of maximum contaminant level violation for inorganic, organic, entry point turbidity, radiological or physical quality if it occurs in either system, as set forth in Subpart 5-1 of the New York State Sanitary Code
  - F. If a Microbiological or Disinfection By-products maximum contaminant level or OEL is violated or exceeded, public notification or an Operational Evaluation shall be made by the party whose water system was in violation.
19. All notices, objections and other communications hereunder shall be delivered in writing and shall be deemed to have been duly given if delivered or mailed by certified mail, return receipt requested, postage prepaid, as follows:

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If to the DISTRICT:

Mayor Bill Sreca, or his successor  
PO Box 1137  
Vernon NY 13476

If to the CITY:

City Manager Kyle Lovell, or his successor  
109 North Main Street  
Oneida, NY 13421

20. The CITY or the VILLAGE may by written notice to the other party re-open this Agreement to negotiate changes it deems reasonably necessary. Representatives of each party shall meet at a mutually convenient time within 30 days of the date of such notice. In the notice, the requesting party shall describe the provisions of this Agreement it proposes to amend. The parties shall negotiate in good faith and endeavor to reach a mutually acceptable solution. When a tentative agreement is reached, it shall be submitted to the governing body of each party for the formal approval and ratification, and this Agreement shall then be deemed amended accordingly.

21. That by this agreement the CITY undertakes only to perform the services set forth herein and the DISTRICT retains the full responsibility for the operation of the DISTRICT water system. The CITY does not guarantee, nor will it be responsible or liable for, any failure to deliver to the customers of the DISTRICT water with respect to either quantity or quality and DISTRICT agrees to save and hold harmless the CITY with respect to any and all matters relating thereto. The DISTRICT agrees to provide and carry insurance, protecting and indemnifying the CITY from any and all liability or claims for injury or damage to third persons or property as a result of actions of the CITY, excepting the active negligence of the CITY. Liability and property damage insurance policies will have limits of not less than:

Bodily Injury Liability	Each Person	\$1,000,000.00
	Each Occurrence	\$2,000,000.00
Property Damage Liability	Each Accident	\$1,000,000.00
	Aggregate	\$2,000,000.00

DISTRICT shall obtain the aforementioned from an A.M. Best rated "secured" New York State licensed insurer naming the CITY as an additional insured thereunder by endorsement on an unrestricted primary and non-contributory basis on all lines of coverage.

Documentation evidencing the existence of the above policies shall be delivered to the CITY. Each of DISTRICT's policies shall contain an endorsement that such policy shall not be terminated, canceled or altered without at least thirty (30) days prior written notice to the City. A renewal binder of coverage shall be delivered by the DISTRICT to the CITY at least thirty (30) days after a policy's expiration date, with a complete copy of such renewal insurances to follow.

22. This Agreement between the CITY and VILLAGE shall commence on January 1st, 2025 and terminate on the 31<sup>st</sup> day of December, 2032.

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IN WITNESS WHEREOF, a majority of the Board of Water Commissioners of the City of Oneida have, pursuant to a resolution of said Board, duly executed this contract, and the City of Oneida has caused its corporate seal to be affixed hereto and these presents to be signed by its duly authorized officers, the day and year first above written.

THE CITY OF ONEIDA, NEW YORK

*SEAL*

BY \_\_\_\_\_  
City Manager, Kyle Lovell

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Water Commissioners  
City of Oneida, New York

*SEAL*

\_\_\_\_\_  
Village of Vernon  
Bill Sreca, Mayor

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STATE OF NEW YORK)

) SS.:

COUNTY OF MADISON)

On the \_\_\_\_\_ day of \_\_\_\_\_, in the year 2025, before me, the undersigned, personally appeared **Kyle Lovell**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity as **City Manager of the City of Oneida**, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the same.

By \_\_\_\_\_

Notary Public

Appointed in Madison County

My Commission Expires \_\_\_\_/\_\_\_\_/\_\_\_\_

STATE OF NEW YORK)

) SS.:

COUNTY OF MADISON)

On the \_\_\_\_\_ day of \_\_\_\_\_, in the year 2025, before me, the undersigned, personally appeared **Bill Sreca**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity as **Mayor Village of Vernon**, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the same.

By \_\_\_\_\_

Notary Public

Appointed in Madison County

My Commission Expires \_\_\_\_/\_\_\_\_/\_\_\_\_

STATE OF NEW YORK)

) SS.:

COUNTY OF MADISON)

On the \_\_\_\_\_ day of \_\_\_\_\_, in the year 2025, before me, the undersigned, personally appeared **Kathy Erdo, Ihor Semko, Zak Kristan, Jim Chamberlain, Dave Cimpi**, \_\_\_\_\_, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity as **Members of the Water Commission**, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the same.

By \_\_\_\_\_

Notary Public

Appointed in Madison County

My Commission Expires \_\_\_\_/\_\_\_\_/\_\_\_\_