



City of Parma Heights

Council Meeting

6281 Pearl Road

Monday, March 27, 2023

7 :00 PM

ROLL CALL

PLEDGE OF ALLEGIANCE

ACTION ON MINUTES:

- MARCH 13, 2023 – PARMA HEIGHTS CITY COUNCIL MEETING

REPORTS FROM MAYOR AND DIRECTORS

COMMUNICATIONS:

- PLANNING COMMISSION UPDATE: COUNCILMAN HAASE
- LITTLE ITALIA 3 LLC DBA LITTLE ITALIA, 6863 W. 130TH, PARMA HGTS, OH 44130
- RRC EXPRESS WAY LLC DBA STOP N GO BREW THRU, 6505 PEARL RD, PARMA HEIGHTS, OH 44130

PUBLIC SESSION

LEGISLATION

Second Reading

1. ORDINANCE NO. 2023 – 12

AN ORDINANCE AMENDING SECTION 779.04 ENTITLED “GENERAL REQUIREMENTS” OF THE PARMA HEIGHTS CODIFIED ORDINANCES.

2. ORDINANCE NO. 2023 – 13

AN ORDINANCE AMENDING SECTION 351.15 ENTITLED “RECREATIONAL EQUIPMENT” OF THE PARMA HEIGHTS CODIFIED ORDINANCES.

3. ORDINANCE NO. 2023 – 15

AN ORDINANCE ESTABLISHING AND ENACTING SECTION 648.17 OF THE CODIFIED ORDINANCES OF THE CITY OF PARMA HEIGHTS, ENTITLED, “DOMESTIC POWER TOOLS” TO PROVIDE FOR A NEW SECTION OF THE “PEACE DISTURBANCES” CHAPTER OF THE GENERAL OFFENSES CODE, AND DECLARING AN EMERGENCY, AS AMENDED.

4. ORDINANCE NO. 2023 – 16

AN ORDINANCE AMENDING SECTION 179.03 ENTITLED “EMPLOYEE BENEFITS” OF THE PARMA HEIGHTS CODIFIED ORDINANCES, AS AMENDED.

5. ORDINANCE NO. 2023 - 17

AN ORDINANCE TO REPEAL SECTION 141.03 ENTITLED “TERMINATION OF EMPLOYEES WHO ATTAIN SEVENTY YEARS OF AGE” OF THE PARMA HEIGHTS CODIFIED ORDINANCES

First Reading

6. ORDINANCE NO. 2023 – 18

AN ORDINANCE APPROPRIATING FUNDS FOR CURRENT EXPENSES AND OTHER EXPENDITURES OF THE CITY OF PARMA HEIGHTS, OHIO FOR THE PERIOD COMMENCING JANUARY 1, 2023 TO AND INCLUDING DECEMBER 31, 2023, REPEALING ORDINANCE 2022-34, AND DECLARING AN EMERGENCY

7. RESOLUTION NO. 2023 – 19

A RESOLUTION AUTHORIZING THE ADMINISTRATION TO DISPOSE OF OBSOLETE CITY VEHICLES AND EQUIPMENT AT A PUBLIC SALE THROUGH GOVPLANET/IRONPLANET

8. RESOLUTION NO. 2023 – 20

A RESOLUTION AUTHORIZING AND DIRECTING THE ADMINISTRATION TO ENTER INTO A PROJECT AGREEMENT WITH THE NORTHEAST OHIO REGIONAL SEWER DISTRICT (NEORS) TO PROCURE PROFESSIONAL ENGINEERING DESIGN SERVICES TO PREPARE THE PLANS, SPECIFICATIONS, AND COST ESTIMATES FOR THE BLOSSOM AND SUTHERLAND AVENUES SEWER IMPROVEMENT PROJECT, TO RECEIVE AND EXPEND FUNDING FROM A WATER POLLUTION CONTROL LOAN FUND (WPCLF) PRINCIPAL FORGIVENESS LOAN, AND DECLARING AN EMERGENCY

9. RESOLUTION 2023 – 21

A RESOLUTION AUTHORIZING AND DIRECTING THE ADMINISTRATION TO APPLY FOR, ACCEPT, AND ENTER INTO A WATER POLLUTION CONTROL LOAN FUND (WPCLF) AGREEMENT ON BEHALF OF THE CITY OF PARMA HEIGHTS FOR THE DESIGN SERVICES OF THE BLOSSOM AND SUTHERLAND AVENUES SEWER IMPROVEMENT PROJECT, AND AUTHORIZING THE SIGNING OF THE CONTRACTS AND OTHER DOCUMENTS RELEVANT THERETO, AND DECLARING AN EMERGENCY

ADJOURNMENT



City of Parma Heights, Ohio
Parma Heights Police Department
Office of Chief Steve Scharschmidt



440-884-1234

6184 Pearl Road, Parma Heights Oh 44130

440-884-1609 FAX

March 16, 2023

Mr. Tom Rounds
Council President
City of Parma Heights
6281 Pearl Road
Parma Heights, Ohio 44130

RE: Liquor Permit #5237890

Dear Councilman Rounds,

An investigation and records check of the listed stockholder provided by the Ohio Department of Commerce, Division of Liquor Control in regards to Liquor License # 5237890 has been completed. The Parma Heights Police Department is offering no objections to this application. The application is for the issuance of a permit for LITTLE ITALIA 3 LLC DBA LITTLE ITALIA, 6863 W 130th Street, Parma Heights, Ohio. The name associated with this permit is Mauricio Chaqueco. The address is 6863 W 130th Street, Parma Heights, Ohio 44130.

Sincerely,

Steve Scharschmidt
Chief of Police

**NOTICE TO LEGISLATIVE
AUTHORITY**

OHIO DIVISION OF LIQUOR CONTROL
6606 TUSSING ROAD, P.O. BOX 4005
REYNOLDSBURG, OHIO 43068-9005
(614)644-2360 FAX(614)644-3166

TO

5237890		NEW	LITTLE ITALIA 3 LLC DBA LITTLE ITALIA 6863 W 130TH PARMA HGTS OH 44130
PERMIT NUMBER		TYPE	
ISSUE DATE			
03 21 2023			
FILING DATE			RECEIVED <i>Book</i> MAR 10 REC'D COUNCIL OFFICE
D1 D2 D3			
PERMIT CLASSES			
18	473	C	
TAX DISTRICT			RECEIPT NO.

FROM **03/08/2023**

PERMIT NUMBER		TYPE
ISSUE DATE		
FILING DATE		
PERMIT CLASSES		
TAX DISTRICT		RECEIPT NO.



MAILED **03/08/2023**

RESPONSES MUST BE POSTMARKED NO LATER THAN. **04/10/2023**

IMPORTANT NOTICE

PLEASE COMPLETE AND RETURN THIS FORM TO THE DIVISION OF LIQUOR CONTROL
WHETHER OR NOT THERE IS A REQUEST FOR A HEARING.
REFER TO THIS NUMBER IN ALL INQUIRIES **C NEW 5237890**

(TRANSACTION & NUMBER)

(MUST MARK ONE OF THE FOLLOWING)

WE REQUEST A HEARING ON THE ADVISABILITY OF ISSUING THE PERMIT AND REQUEST THAT
THE HEARING BE HELD IN OUR COUNTY SEAT. IN COLUMBUS.

WE DO NOT REQUEST A HEARING.

DID YOU MARK A BOX? IF NOT, THIS WILL BE CONSIDERED A LATE RESPONSE.

PLEASE SIGN BELOW AND MARK THE APPROPRIATE BOX INDICATING YOUR TITLE:

(Signature)

(Title) - Clerk of County Commissioner

(Date)

Clerk of City Council

Township Fiscal Officer

**CLERK OF PARMA HGTS CITY COUNCIL
6281 PEARL RD
PARMA HEIGHTS OHIO 44130**



City of Parma Heights, Ohio
Parma Heights Police Department
Office of Chief Steve Scharschmidt



440-884-1234

6184 Pearl Road, Parma Heights Oh 44130

440-884-1609 FAX

March 16, 2023

Mr. Tom Rounds
Council President
City of Parma Heights
6281 Pearl Road
Parma Heights, Ohio 44130

RE: Liquor Permit #5237890

Dear Councilman Rounds,

An investigation and records check of the listed stockholder provided by the Ohio Department of Commerce, Division of Liquor Control in regards to a transfer of an existing license, US XPRESS LLC; DBA MARTINIS DRIVE THRU, 6505 Pearl Road, Parma Heights Ohio to RRC EXPREWS WAY LLC DBA STOP N GO BREW THRU, 6505 Pearl Road, Parma Heights Ohio, has been completed. The Parma Heights Police Department is offering no objections to this application. The name(s) associated with this permit are Joshua Hall, Jacob Hall, and Angela Hall. The address is 6505 Pearl Road, Parma Heights, Ohio 44130.

Sincerely,



Steve Scharschmidt
Chief of Police

NOTICE TO LEGISLATIVE
AUTHORITY

OHIO DIVISION OF LIQUOR CONTROL
6606 TUSSING ROAD, P.O. BOX 4005
REYNOLDSBURG, OHIO 43068-9005
(614)644-2360 FAX(614)644-3166

TO

7569560		TRFO	RRC EXPRESS WAY LLC
PERMIT NUMBER		TYPE	DBA STOP N GO BREW THRU
11	22	2022	6505 PEARL RD
ISSUE DATE			PARMA HEIGHTS OH 44130
03	02	2023	
FILING DATE			
C1	C2	D6	
PERMIT CLASSES			
18	473	C	F29188
TAX DISTRICT			RECEIPT NO.

RECEIVED
MAR 08 REC'D
COUNCIL OFFICE

FROM 03/06/2023

91763420001			US XPRESS LLC
PERMIT NUMBER		TYPE	DBA MARTINIS DRIVE THRU
11	22	2022	6505 PEARL RD
ISSUE DATE			PARMA HEIGHTS OH 44130
03	02	2023	
FILING DATE			
C1	C2	D6	
PERMIT CLASSES			
18	473		
TAX DISTRICT			RECEIPT NO.



MAILED 03/06/2023 RESPONSES MUST BE POSTMARKED NO LATER THAN. 04/06/2023

IMPORTANT NOTICE

PLEASE COMPLETE AND RETURN THIS FORM TO THE DIVISION OF LIQUOR CONTROL
WHETHER OR NOT THERE IS A REQUEST FOR A HEARING.

REFER TO THIS NUMBER IN ALL INQUIRIES C TRFO 7569560
(TRANSACTION & NUMBER)

(MUST MARK ONE OF THE FOLLOWING)

WE REQUEST A HEARING ON THE ADVISABILITY OF ISSUING THE PERMIT AND REQUEST THAT
THE HEARING BE HELD IN OUR COUNTY SEAT. IN COLUMBUS.

WE DO NOT REQUEST A HEARING.

DID YOU MARK A BOX? IF NOT, THIS WILL BE CONSIDERED A LATE RESPONSE.

PLEASE SIGN BELOW AND MARK THE APPROPRIATE BOX INDICATING YOUR TITLE:

(Signature)

(Title)- Clerk of County Commissioner

(Date)

Clerk of City Council

Township Fiscal Officer

CLERK OF PARMA HGTS CITY COUNCIL
6281 PEARL RD
PARMA HEIGHTS OHIO 44130

ORDINANCE NO. 2023 - 12

AN ORDINANCE AMENDING SECTION 779.04 ENTITLED “GENERAL REQUIREMENTS” OF THE PARMA HEIGHTS CODIFIED ORDINANCES

WHEREAS, the Director of Public Service is recommending that Section 779.04 of the Parma Heights Codified Ordinances be amended, in part, to prohibit the parking or storage of food trucks in residential districts; and

WHEREAS, this update to the Parma Heights Codified Ordinances regarding food trucks would allow for more efficient regulation of food truck storage; and

WHEREAS, this Council desires to adopt the recommendation of the Administration.

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Parma Heights, County of Cuyahoga, and State of Ohio:

Section 1: That Section 779.04 of the Codified Ordinances shall be amended, and as amended, shall henceforth read as shown by edits set forth in Exhibit “A”, which is attached hereto and incorporated by reference.

Section 2: This Council finds and determines that all formal actions of this Council concerning and relating to the adoption of this Ordinance were taken in an open meeting of this Council and that all deliberations of the Council and of any of its Committees comprised of a majority of the members of the Council that resulted in those formal actions were in meetings open to the public, in compliance with the law.

Section 3: That this Ordinance shall take effect and be in force from and after the earliest date provided for by law.

PASSED: _____

PRESIDENT OF COUNCIL

ATTEST: _____
CLERK OF COUNCIL

APPROVED

FILED WITH
THE MAYOR: _____

MAYOR MARIE S. GALLO

EXHIBIT A

779.04 GENERAL REQUIREMENTS.

(a) All Food Truck Permit holders operating in the City of Parma Heights must keep the area immediately adjacent to the Food Truck clean and must further make arrangements for disposal of all trash generated from its operation.

(b) No Food Truck Permit holder shall utilize loud speakers or other noise-making devices.

(c) No Food Truck shall be parked or stored in a residential district, unless permitted pursuant to Section 779.03, at any time.

ORDINANCE NO. 2023 - 13

AN ORDINANCE AMENDING SECTION 351.15 ENTITLED “RECREATIONAL EQUIPMENT” OF THE PARMA HEIGHTS CODIFIED ORDINANCES

WHEREAS, the Administration is recommending that Section 351.15 of the Parma Heights Codified Ordinances be amended, in part, to require recreational equipment to be stored/parked on a hard surface; and

WHEREAS, this update to the Parma Heights Codified Ordinances regarding recreational equipment would allow for more efficient regulation of recreational equipment storage; and

WHEREAS, Council desires to adopt the recommendation of the Administration.

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Parma Heights, County of Cuyahoga, and State of Ohio:

Section 1: That Section 351.15 of the Codified Ordinances shall be amended, and as amended, shall henceforth read as shown by edits set forth in Exhibit “A”, which is attached hereto and incorporated by reference.

Section 2: This Council finds and determines that all formal actions of this Council concerning and relating to the adoption of this Ordinance were taken in an open meeting of this Council and that all deliberations of the Council and of any of its Committees comprised of a majority of the members of the Council that resulted in those formal actions were in meetings open to the public, in compliance with the law.

Section 3: That this Ordinance shall take effect and be in force from and after the earliest date provided for by law.

PASSED: _____

PRESIDENT OF COUNCIL

ATTEST: _____
CLERK OF COUNCIL

APPROVED

FILED WITH
THE MAYOR: _____

MAYOR MARIE S. GALLO

EXHIBIT A

351.15 RECREATIONAL EQUIPMENT.

(a) Definition. As used in this section “recreational equipment” means and includes the following:

- (1) “Travel trailer” which means a vehicular, portable structure built on a chassis, designed to be used as a temporary dwelling for travel, recreational and vacation uses, permanently identified “travel trailer” by the manufacturer;
- (2) “Pickup camper” which means a structure designed primarily to be mounted on a pickup or truck chassis and with sufficient equipment to render it suitable for use as a temporary dwelling for travel, recreational and vacation uses;
- (3) “Motorized home” which means a portable dwelling designed and constructed as an integral part of a self-propelled vehicle;
- (4) “Folding tent trailer” which means a canvas folding structure, mounted on wheels and designed for travel and vacation uses; and
- (5) “Boats” and “boat trailers” which mean and include boats, floats and rafts, plus the normal equipment to transport the same on the streets and highways.

(Ord. 1970-20. Passed 2-9-70.)

(b) Regulations. No person shall park or store recreational equipment on any street or highway or public or private property within the City except as hereinafter provided. Any owner of recreational equipment may park or store such equipment on property owned by him or her in accordance with the following conditions:

(1) Recreational equipment parked or stored shall not have fixed connections to electricity, water, gas or sanitary sewer facilities except to provide heat for the protection of the recreational equipment, and at no time shall such recreational equipment be used for living or housekeeping purposes.

(2) Recreational equipment parked or being stored shall be required to be parked on a paved surface. Paved surface for this purpose shall be concrete and/or asphalt. This paved surface requirement shall not be satisfied by gravel or stone in lieu of or in the absence of said required paved surfaces.

~~(2)~~(3) If camping and recreational equipment is parked or stored outside of a garage, it shall only be parked or stored to the rear of the front building line of the main residence; said equipment shall not be parked or stored in the side yard and/or front yard nor in the driveway thereof. For purposes of this section, attached garages and porches extending forward of the main residence shall not be considered as part of the main residence. ~~The setback requirement of the side or rear yard shall be a minimum of three feet.~~

~~(3)~~(4) Notwithstanding the provisions of division (b)(~~2~~) of this section, camping and recreational equipment may be parked anywhere on the premises for loading or unloading

purposes for a period of not more than 48 hours. Recreational equipment parked or stored on private property for more than forty-eight (48) hours must comply with location and other requirements of division (b) of this section.

~~(4)~~(5) All recreational equipment must be kept in good repair and carry a current year's license and/or registration.

(Ord. 1999-30. Passed 11-8-99.)

ORDINANCE NO. 2023 – 15

AN ORDINANCE ESTABLISHING AND ENACTING SECTION 648.17 OF THE CODIFIED ORDINANCES OF THE CITY OF PARMA HEIGHTS, ENTITLED, “DOMESTIC POWER TOOLS” TO PROVIDE FOR A NEW SECTION OF THE “PEACE DISTURBANCES” CHAPTER OF THE GENERAL OFFENSES CODE, AND DECLARING AN EMERGENCY, AS AMENDED.

WHEREAS, current code regulations do not restrict the hours of operation that domestic power tools can be used within the City of Parma Heights. The noise of domestic power tools, including, but not limited to, lawn mowers jeopardize the peaceful enjoyment of residents; and

WHEREAS, Chapter 648 of the Codified Ordinances governs various peace disturbances; and

WHEREAS, it is the desire of this Administration and Council to establish and enact regulations of domestic power tools under Section 648.17 of the Codified Ordinances in order to protect the health, safety, and welfare of the City of Parma Heights and its residents.

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Parma Heights, County of Cuyahoga and State of Ohio:

Section 1. This Council does hereby establish and enact Section 648.17, entitled, “Domestic Power Tools” of the General Offenses Code, which reads in its entirety as set forth in “Exhibit A” and which is attached to this Ordinance and incorporated by reference as if fully rewritten herein.

Section 2. This Council finds and determines that all formal action of this Council concerning and relating to the adoption of this Ordinance were taken in an open meeting of this Council and that all deliberations of the Council and of any of its Committees comprised of a majority of the members of the Council that resulted in those formal actions were in meetings open to the public, in compliance with the law.

Section 3. This Council declares this Ordinance to be an emergency measure for the immediate preservation of the public health, peace, and safety of this Municipality, and for the further reason that it is necessary to regulate peace disturbances within the Municipality; wherefore, it shall be in full force and effect immediately after its passage by Council and approval of the Mayor.

PASSED: _____

PRESIDENT OF COUNCIL

ATTEST: _____
CLERK OF COUNCIL

APPROVED

FILED WITH
THE MAYOR: _____

MAYOR MARIE GALLO

EXHIBIT A

648.17 DOMESTIC POWER TOOLS.

- (a) No person shall operate or permit the operation of any domestic power tools used outdoors in residential areas between the hours of 9:00 P.M. and 7:00 A.M. the following day so as to cause a noise disturbance across a residential real property boundary; powered snow removal equipment is included except during a snow emergency within the City.
- (b) No person shall operate or permit the operation of powered model vehicles so as to create a noise disturbance across a residential real property boundary or in a public space between the hours of 9:00 P.M. and 7:00 A.M. the following day.
- (c) During the **permitted period of operation** ~~restricted hours~~, maximum sound levels in a residential area shall not exceed eighty (80) dBA measured at a distance of fifty feet from any point on the path of the vehicle or other noise source. Further, maximum sound levels shall not exceed reasonable standards utilizing any means of detection set forth in Section 648.16 of these Codified Ordinances.
- (d) Whoever violates any provisions of this section is guilty of a minor misdemeanor, unless the violation is made willfully and knowingly, in which case the offender is guilty of a misdemeanor of the fourth degree. A separate offense shall be deemed committed each day during or on which a violation occurs or continues.
- (e) For the purposes of this section, "Domestic power tools" means power tools or equipment used for home or building repair, maintenance, alteration, or other home manual arts projects, including but not limited to powered hand tools, lawn mowers, garden equipment, and commercial grade tools.

ORDINANCE NO. 2023 - 16

AN ORDINANCE AMENDING SECTION 179.03 ENTITLED “EMPLOYEE BENEFITS” OF THE PARMA HEIGHTS CODIFIED ORDINANCES, AS AMENDED.

WHEREAS, the Administration is recommending that Section 179.03 of the Parma Heights Codified Ordinances be amended, in part, to revise certain portions of the section and allow for the observation of Juneteenth as a holiday; and

WHEREAS, this Council desires to adopt the recommendation of the Administration.

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Parma Heights, County of Cuyahoga, and State of Ohio:

Section 1: That Section 179.03 of the Codified Ordinances shall be amended, and as amended, shall henceforth read as shown by edits set forth in Exhibit “A”, which is attached hereto and incorporated by reference.

Section 2: This Council finds and determines that all formal actions of this Council concerning and relating to the adoption of this Ordinance were taken in an open meeting of this Council and that all deliberations of the Council and of any of its Committees comprised of a majority of the members of the Council that resulted in those formal actions were in meetings open to the public, in compliance with the law.

Section 3: That this Ordinance shall take effect and be in force from and after the earliest date provided for by law.

PASSED: _____
PRESIDENT OF COUNCIL

ATTEST: _____
CLERK OF COUNCIL APPROVED

FILED WITH
THE MAYOR: _____
MAYOR MARIE S. GALLO

EXHIBIT A

179.03 EMPLOYEE BENEFITS.

(a) Medical Insurance. Each non-aligned full-time employee, after one month of such full-time service, shall be entitled to health insurance provided by the City. Health benefit plan design, coverage options and employee cost of participation shall be determined annually and such conditions to be outlined in a Health Benefit Summary document to be provided to employee at the inception of each benefit year.

(Ord.2001-7. Passed 2-26-01; Ord. 2001-28. Passed 9-10-01; Ord. 2012-37. Passed 8-6-12; Ord.2013-5. Passed 2-25-13.)

(b) Group Life Insurance. Each regular full-time employee shall, after one year of such full-time service, be entitled to fully paid group life insurance in the amount of twenty-five thousand dollars (\$25,000).

(Ord. 1991-28. Passed 8-12-91; Ord. 2012-37. Passed 8-6-12; Ord. 2013-5. Passed 2-25-13.)

(c) Part-Time Employees. Elected officials, part-time directors and other part-time employees of the City may, at their option, elect to participate in the City's medical and/or group life insurance programs. In the event of such election and after six months of such part-time services, as it affects the medical insurance program, and one year of such services, as it affects the group life insurance program, the elected official, part-time director or other part-time employee will have his monthly or biweekly pay reduced by the amount of the applicable premium necessary for proper coverage in the elected insurance program. Where such monthly or biweekly payroll payment is insufficient to cover the cost of such insurance premium, the part-time employee will be required to make the required monthly premium payment, in cash, to keep the insurance in effect.

(Ord. 1983-29. Passed 10-11-83; Ord. 2013-5. Passed 2-25-13.)

(d) Sick Leave.

(1) Each regular full-time employee, including civilian employees in the Departments of Police and Fire, shall be entitled to 4.6 hours of sick leave for every 80 hours of regularly scheduled employment. Unused sick leave shall be cumulative up to a total of 1,750 hours for employees working eight-hour days, and up to 1,531 for employees working seven-hour days. Sick leave accrued under prior ordinances shall remain in effect and sick leave days accrued as of December 31, 1981, shall be converted to hours by taking the sick leave days accrued and multiplying such figure by the number of hours in such employee's regularly scheduled work day. Payment for sick leave, at the rate of one hour per every hour of sick leave absence, shall be made only when approved by the Director of Personnel, who may require the employee to furnish a satisfactory, written, signed statement to justify the use of sick leave, and, in the case of sick leave absence in excess of one day, who shall require certification as to the nature of the illness or injury from the employee's physician or the Police Surgeon.

(2) An absence due to a service connected injury will not be charged against an employee's accumulated sick leave so long as it does not exceed the employee's attending physician's and/or Police Surgeon's prognosis as to the employee's ability to return to employment. Once an employee has returned to assume normal duties, following absence due to a service connected injury, subsequent absences, alleged as being due to the service connected injury, will be charged against the employee's accumulated sick leave, unless excused by the employee's attending physician's and/or Police Surgeon's certificate. In case of a disagreement between physicians, the certification of a third physician will be required.

(3) At the time of retirement from active duty with the City or death of the employee, the employee, or the employee's estate, will be paid in cash for sixty percent of the value of his or her accrued, but unused, sick leave credit. Such payment shall be based on the employee's rate of pay at time of retirement or death. Payment for sick leave on this basis shall be considered to eliminate all sick leave credit accrued by the employee at that time. Such payment shall be made only once to any employee. The maximum payment which may be made shall be sixty percent of 1,200 hours for employees working eight-hour days and sixty percent of 1,050 hours for employees working seven-hour days. The formula for computation shall be:

(a) In the case of employees working eight-hour days:

$$\frac{\text{annual rate} \times (\text{accumulated hours} \times .60)}{2,080}$$

(b) In the case of employees working seven-hour days:

$$\frac{\text{annual rate} \times (\text{accumulated hours} \times .60)}{1,820}$$

NOTE: Annual rate of pay used in above unused sick time payment calculations is based on the total of the base salary and longevity pay only.

(4) City employees shall be paid an incentive for conservation of annual sick leave allowances as follows:

(a) In the case of employees working eight-hour days:

Unused Sick Leave Hours	Incentive Payment (hrs.)
120	30
112	28
104	26
96	24
88	22
80	20
72	18
64	16
56	14

48	12
40	10
Less than 40	-0-

(b) In the case of employees working seven and one-half hour days:

Unused Sick Leave Hours	Incentive Payment (hrs.)
113	30
105	28
98	26
90	24
83	22
75	20
68	18
60	16
53	14
45	12
38	10
Less than 38	-0-

(c) In the case of employees working seven-hour days:

Unused Sick Leave Hours	Incentive Payment (hrs.)
105	30
98	28
91	26
84	24
77	22
70	20
63	18
56	16
49	14

42	12
35	10
Less than 35	-0-

(5) The equivalent hourly rate to be paid will be that in effect as of December 31 in the year in which the sick leave days are accumulated. Payment shall be made concurrently with the second payroll of February following the year in which sick leave days were accumulated. Such incentive payment will in no way diminish an employee's sick leave accumulation.

(6) Effective, January 1, 2024, all paid incentive for conservation of annual sick leave allowances shall be discontinued for all non-aligned employees, and Divisions 179.03(d)(4) and 179.03(d)(5) shall be repealed.

(Ord. 1994-47. Passed 10-1 1-94; Ord. 1997-20. Passed 6-23-97; Old. 2013-5. Passed 2-25-13.)

(e) Funeral Attendance. An employee may use a portion of his or her accumulated sick leave for funeral arrangements and services for his or her spouse, child, parents, mother-in-law, father-in-law, grandparents, grandparents-in-law, sister, brother, sister-in-law or brother-in-law, grandchildren, step-parent, step-sister, step-brother, aunt, uncle, cousin, niece and nephew.

(Ord 1991-28. Passed 8-12-91; Ord. 2013-5. Passed 2-25-13.)

(f) Vacations.

(1) All full-time employees will be credited with their unused earned vacation balances beginning on January 1, 2020.

(2) Effective January 1, 2020, vacation leave for all full-time employees shall be computed on the full-time months actually employed. The rate that vacation leave accrues shall depend upon the number of years of total service for the City as a full-time employee. The employee's vacation leave shall accrue at the rate indicated in the following schedule:

Total Years of Service	Accrual Rate per Month	Vacation Days per Year	Maximum Accrual
0 up to 4	6.666 hours (80 base)	10 working days	160 hours (80 base)
	5.833 hours (70 base)		140 hours (70 base)
5 up to 11	10.000 hours (80 base)	15 working days	200 hours (80 base)
	8.750 hours (70 base)		185 hours (70 base)

12 up to 20	13.333 hours (80 base)	20 working days	240 hours (80 base)
	11.666 hours (70 base)		220 hours (70 base)
21 up to 23	16.666 hours (80 base)	25 working days	280 hours (80 base)
	14.583 hours (70 base)		255 hours (70 base)
24 or more	20.000 hours (80 base)	30 working days	320 hours (80 base)
	17.500 hours (70 base)		290 hours (70 base)

(3) Vacation time earned during the first calendar month of full-time employment shall be prorated based on the amount of vacation contained in the schedule above to reflect service time from the date of full-time employment to end of the first calendar month. Vacation time earned during the final calendar month year of full-time employment shall be prorated based on the amount of vacation contained in the schedule above to reflect service time from the first day of the calendar month to the final date of full-time employment.

(4) Full-time employees may accumulate a maximum amount of their annual vacation accrued plus eighty hours (seventy hours for employees working thirty-five hours per week), effective January 1, 2020. All vacation hours that exceed the allowable maximum accrual at the end of each pay period will expire without compensation.

(5) A full-time employee who is reemployed or rehired by the City upon retirement will not be paid for any earned and unused accumulated vacation. The employee will continue to accrue vacation and retain his or her unused accumulated vacation time and continue to earn vacation based on the schedule in subsection (a) above, not to exceed four weeks (twenty work days) per year.

(6) Full-time employees terminating employment due to voluntary resignation or retirement shall be paid all earned and unused vacation time.

(7) In the case of death of any full-time employee, the earned and unused vacation time shall be paid to the employee's estate.

(8) Full-time employees who have concluded twenty-one continuous years of service may, at his or her option, bank not more than two weeks per year, up to a maximum amount of nine weeks. Full-time employees may receive cash payment for such banked vacation one time, either at retirement or before, but may not thereafter bank additional hours after the nine weeks have been utilized.

(9) In lieu of banking vacation time, an employee who has concluded twenty-one continuous years of service may turn in for annual payment not more than two weeks per year, up to a maximum amount of nine weeks. The Mayor and Finance Director must approve this

intent no later than November 1 of the calendar year in which payment is requested. Such payment shall be made on the last pay of the calendar year in which payment is requested.

(g) Holidays. Each regular full-time employee of the City who has served at least thirty days of service prior to any holiday hereinafter set forth and who has worked or been on vacation during his regularly scheduled work days immediately preceding and succeeding such holiday, shall be entitled to the following thirteen ~~twelve~~ legal holidays with pay at the employee's normal hourly rate of pay for each of such holidays:

- (1) The first day of January, known as New Year's Day;
- (2) The third Monday in January, known as Martin Luther King Day;
- (3) The third Monday in February, known as Washington-Lincoln or Presidents' Day;
- (4) Decoration or Memorial Day (date of observance as established by State Legislature);
- (5) The nineteenth day of June, known as Juneteenth;
- ~~(56)~~ The fourth day of July, known as Independence Day;
- ~~(67)~~ The first Monday in September, known as Labor Day;
- ~~(78)~~ The second Monday in October, known as Columbus Day;
- ~~(89)~~ The eleventh day of November, known as Veterans' Day;
- ~~(910)~~ The fourth Thursday in November, known as Thanksgiving Day;
- ~~(1011)~~ The twenty fifth day of December, known as Christmas Day;
- ~~(1112)~~ A floating holiday to be taken on a day of the employee's choice subject to approval of departmental supervision; and
- ~~(1213)~~ The employee's birthday.

All part-time employees and full-time employees of the City with less than thirty days of service with the City shall be entitled to the aforesaid holidays without pay.

The City, in response to certain reductions in the workweek hours for the City firefighters, does hereby agree to grant each full-time non-aligned employee the following additional three holidays:

The fourth Friday of November, known as the day after Thanksgiving;

The twenty-fourth day of December, known as Christmas Eve Day; and

Effective January 1, 2001, a floating holiday to be taken on a day of the employee's choice, subject to approval of departmental supervision.

(Ord. 1991-28. Passed 8-12-91; Ord. 2000-52. Passed 11-27-00; Ord. 2013-5. Passed 2-25-13.)

(h) Longevity Pay. Additional compensation for continuous full-time employment, which shall be entitled longevity pay, shall be paid for each calendar year on the first pay period in December of each year. The rate of longevity pay to which an employee shall be entitled in any calendar year shall be computed in accordance with the following schedule:

Years of Continuous, Full-Time Employment Completed as of the Anniversary Date of Employment	Rate of Longevity Pay Per Month
0-4	\$-0-
5	20.83
10	41.66
15	62.50
20	83.33
25	104.16
30	125.00

The amount of longevity pay to which an employee is entitled in a calendar year shall be computed by multiplying the number of months in the calendar year preceding and subsequent to his or her anniversary date of employment in that year by the applicable rate or rates of monthly longevity pay based upon the number of years of continuous full-time employment completed in that year, as determined in accordance with the above schedule.

In each calendar year, the anniversary date of employment shall be the first day of the month in which the employee commenced his continuous, full-time employment with the City. In calculating the length of an employee's continuous employment, full-time service in all departments of the City shall be included.

(1) Non-aligned employees listed within this Chapter hired after November 1, 2021 shall not be entitled to receive longevity pay under Division 179.03(h).

(2) No Director is eligible for longevity pay under Division 179.03(h).

(Ord. 2013-5. Passed 2-25-13.)

(i) Jury Duty Compensation. Each regular full time employee shall, if called for jury duty, receive his regular compensation during the time spent in the capacity as a juror less the amount paid to him by the court for such duty as a juror.

(Ord. 1983-29. Passed 10-11-83; Ord. 2013-5. Passed 2-25-13; Ord. 2020-6. Passed 3-9-20.)

ORDINANCE NO. 2023 - 17

AN ORDINANCE TO REPEAL SECTION 141.03 ENTITLED “TERMINATION OF EMPLOYEES WHO ATTAIN SEVENTY YEARS OF AGE” OF THE PARMA HEIGHTS CODIFIED ORDINANCES

WHEREAS, the Administration is recommending that Section 141.03 of the Parma Heights Codified Ordinances be repealed; and

WHEREAS, this Council desires to adopt the recommendation of the Administration.

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Parma Heights, County of Cuyahoga, and State of Ohio:

Section 1: That Section 141.03 entitled “Termination of Employees Who Attain Seventy Years of Age” of the Codified Ordinances, as it has heretofore existed, is hereby repealed, and as repealed, shall henceforth read as shown by edits set forth in Exhibit “A”, which is attached hereto and incorporated by reference.

Section 2: This Council finds and determines that all formal actions of this Council concerning and relating to the adoption of this Ordinance were taken in an open meeting of this Council and that all deliberations of the Council and of any of its Committees comprised of a majority of the members of the Council that resulted in those formal actions were in meetings open to the public, in compliance with the law.

Section 3: That this Ordinance shall take effect and be in force from and after the earliest date provided for by law.

PASSED: _____

PRESIDENT OF COUNCIL

ATTEST: _____
CLERK OF COUNCIL

APPROVED

FILED WITH
THE MAYOR: _____

MAYOR MARIE GALLO

EXHIBIT A

141.03 ~~(REPEALED) TERMINATION OF EMPLOYEES WHO ATTAIN SEVENTY YEARS OF AGE.~~

~~—(a) The Mayor shall, as of December 31 of any year, terminate the employment of any Municipal employee, except elected officials, part-time employees and administrative employees, who have attained the age of seventy years.~~

~~—(b) Any employee who has attained the age of seventy years on the effective date of this section (Ordinance 1979-45, passed September 24, 1979) shall not be terminated until he or she attains the age of seventy-one years, unless such employee is not physically or mentally competent to perform the duties of the particular position which he or she occupies.~~

~~—(c) Any such employee who has reached the age of seventy or more on the effective date of this section (Ordinance 1979-45, passed September 24, 1979) shall be required to present a certification prior to December 31 by a physician licensed to practice in the State, which physician is mutually acceptable to the employee and the City, certifying that the member is physically and mentally competent to perform the duties of the particular position which he or she occupies.~~

~~(Ord. 1979-45. Passed 9-24-79.)~~

ORDINANCE 2023 – 18

AN ORDINANCE APPROPRIATING FUNDS FOR CURRENT EXPENSES AND OTHER EXPENDITURES OF THE CITY OF PARMA HEIGHTS, OHIO FOR THE PERIOD COMMENCING JANUARY 1, 2023 TO AND INCLUDING DECEMBER 31, 2023, REPEALING ORDINANCE 2022-34, AND DECLARING AN EMERGENCY

BE IT ORDAINED by the Council of the City of Parma Heights, County of Cuyahoga and State of Ohio:

Section 1. Funding for the current expenses and other expenditures of the City of Parma Heights, Ohio, for the period commencing January 1, 2023 and ending December 31, 2023, the sums set forth in the attached Exhibit A, is set aside and appropriated.

Section 2. Ordinance No. 2022-34 that was passed by Council on November 28, 2022 is repealed.

Section 3. This Council finds and determines that all formal actions of this Council concerning and relating to the adoption of the Ordinance were taken in an open meeting of this Council and that all deliberations of the Council and of any of its Committees comprised of a majority of the members of the Council that resulted in those formal actions were in meetings open to the public, in compliance with the law.

Section 4. The Director of Finance is authorized to draw warrants from any of the foregoing appropriations upon receiving the proper requisition, certificate, and voucher therefore; approved by the officers authorized by law to approve same, or an Ordinance or Resolution to make the expenditure, provided that no warrants shall be drawn or paid for salaries or wages except to persons employed by authority of and in accordance with law and Ordinance.

Section 5. This Council declares this Ordinance to be an emergency measure for the immediate preservation of the public health, peace, and safety of this Municipality and for the further reason that said Ordinance must be enacted as soon as possible to authorize payment, and to maintain the full faith and credit of the Municipality; wherefore, it shall be in full force and effect immediately after its passage by Council and approved by the Mayor.

PASSED: _____

PRESIDENT OF COUNCIL

ATTEST: _____
CLERK OF COUNCIL

APPROVED

FILED WITH
THE MAYOR: _____

MAYOR MARIE GALLO

EXHIBIT A

City of Parma Heights	2023 Appropriations		Amendments	2023 Appropriations	
	Original Ordinance 2022-34		Increase/(Decrease)	Amended Ordinance 2023-	
General Fund					
Police					
Personal Services & Benefits	\$	3,745,879.29		\$	3,745,879.29
Other Operations & Maintenance	\$	587,675.00		\$	587,675.00
Fire					
Personal Services & Benefits	\$	3,638,831.51		\$	3,638,831.51
Other Operations & Maintenance	\$	189,530.00		\$	189,530.00
Safety					
Personal Services & Benefits	\$	451,668.56		\$	451,668.56
Other Operations & Maintenance	\$	475,418.96		\$	475,418.96
Health					
Other Operations & Maintenance	\$	120,000.00		\$	120,000.00
Recreation					
Personal Services & Benefits	\$	161,868.60		\$	161,868.60
Other Operations & Maintenance	\$	250.00		\$	250.00
Building					
Personal Services & Benefits	\$	500,000.86		\$	500,000.86
Other Operations & Maintenance	\$	134,050.00		\$	134,050.00
Economic Development					
Personal Services & Benefits	\$	117,537.10		\$	117,537.10
Other Operations & Maintenance	\$	4,100.00		\$	4,100.00
Basic Utility Services					
Personal Services & Benefits					
Other Operations & Maintenance	\$	1,612,000.00		\$	1,612,000.00
Mayor					
Personal Services & Benefits	\$	230,919.51		\$	230,919.51
Other Operations & Maintenance	\$	8,000.00		\$	8,000.00
Council					
Personal Services & Benefits	\$	141,184.91		\$	141,184.91
Other Operations & Maintenance	\$	11,750.00		\$	11,750.00
Planning/Zoning					
Other Operations & Maintenance	\$	4,000.00		\$	4,000.00
Finance					
Personal Services & Benefits	\$	305,050.73		\$	305,050.73
Other Operations & Maintenance	\$	342,000.00		\$	342,000.00
Mayor' Court					
Personal Services & Benefits	\$	150,893.19		\$	150,893.19
Other Operations & Maintenance	\$	21,300.00		\$	21,300.00

Custodial			
Personal Services & Benefits	\$	54,744.08	\$ 54,744.08
Other Operations & Maintenance	\$	11,500.00	\$ 11,500.00
Law			
Personal Services & Benefits	\$	208,630.69	\$ 208,630.69
Other Operations & Maintenance	\$	101,150.00	\$ 101,150.00
General Government			
Personal Services & Benefits			
Other Operations & Maintenance	\$	673,715.97	\$ 673,715.97
Transfers - Out	\$	1,500,000.00	\$ 1,500,000.00
Total General Fund Disbursements	\$	15,503,648.95	\$ 15,503,648.95
SCMR Fund			
Personal Services & Benefits	\$	1,687,873.72	\$ 1,687,873.72
Other Operations & Maintenance	\$	447,535.00	\$ 447,535.00
	\$	2,135,408.72	\$ 2,135,408.72
State Highway			
Other Operations & Maintenance	\$	80,000.00	\$ 80,000.00
	\$	80,000.00	\$ 80,000.00
Cemetery			
Other Operations & Maintenance	\$	200.00	\$ 200.00
	\$	200.00	\$ 200.00
Parks Maintenance Fund			
Personal Services & Benefits	\$	230,653.92	\$ 230,653.92
Other Operations & Maintenance	\$	258,748.40	\$ 258,748.40
	\$	489,402.32	\$ 489,402.32
Senior Center Fund			
Personal Services & Benefits	\$	279,751.72	\$ 279,751.72
Other Operations & Maintenance	\$	61,500.00	\$ 61,500.00
	\$	341,251.72	\$ 341,251.72
Permissive Fund			
Other Operations & Maintenance	\$	120,000.00	\$ 120,000.00
Transfers - Out	\$	-	\$ -
	\$	120,000.00	\$ 120,000.00
Police Pension Fund			
Employers Share	\$	548,847.07	\$ 548,847.07
	\$	548,847.07	\$ 548,847.07
Fire Pension Fund			
Employers Share	\$	666,886.97	\$ 666,886.97
	\$	666,886.97	\$ 666,886.97

Coronavirus Relief Fund

Other Operations & Maintenance	\$	600,000.00	\$	600,000.00
	\$	600,000.00	\$	600,000.00

Mayor's Court Computer Fund

Other Operations & Maintenance	\$	3,500.00	\$	3,500.00
Capital Outlay				
	\$	3,500.00	\$	3,500.00

Ambulance Billing Fund

Other Operations & Maintenance	\$	40,000.00	\$	40,000.00
Transfers - Out	\$	450,000.00	\$	450,000.00
	\$	490,000.00	\$	490,000.00

Special Bond Retirement Fund

Bond Principal	\$	268,327.00	\$	268,327.00
Other	\$	-	\$	-
	\$	268,327.00	\$	268,327.00

Capital Improvement Fund

Capital Outlay	\$	960,100.00	\$	4,200,000.00	\$	5,160,100.00
	\$	960,100.00	\$	4,200,000.00	\$	5,160,100.00

*Nathan Hale Project

Capital Projects Fund

Other Operations & Maintenance	\$	100,000.00	\$	100,000.00
Capital Outlay	\$	-	\$	-
	\$	100,000.00	\$	100,000.00

Medical Self Insurance Fund

Medical Payments	\$	2,050,000.00	\$	2,050,000.00
	\$	2,050,000.00	\$	2,050,000.00

Fleet Maintenance Fund

Employee Expense	\$	382,492.60	\$	382,492.60
Other Expense	\$	373,500.00	\$	373,500.00
	\$	755,992.60	\$	755,992.60

Worker's Compensation Fund

2023 Full Payment	\$	149,570.00	\$	149,570.00
	\$	149,570.00	\$	149,570.00

Total Appropriations 2023	\$	25,263,135.35	\$	4,200,000.00	\$	29,463,135.35
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RESOLUTION 2023 - 19

**A RESOLUTION AUTHORIZING THE ADMINISTRATION TO DISPOSE OF
OBSOLETE CITY VEHICLES AND EQUIPMENT AT A PUBLIC SALE
THROUGH GOVPLANET/IRONPLANET**

WHEREAS, the Council authorized membership in the National Joint Power Alliance [now known as Sourcewell], a purchasing cooperative in Ordinance No. 2017-3; and

WHEREAS, GovPlanet/IronPlanet is a vendor of the National Joint Power Alliance [now known as Sourcewell]; and

WHEREAS, GovPlanet/IronPlanet will provide the City of Parma Heights with auction services for the disposal of obsolete city vehicles and equipment; and

WHEREAS, the Administration recommends that the vehicles and equipment listed on Exhibit “A” be removed from service as a result of their age and mechanical condition.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Parma Heights, County of Cuyahoga, and State of Ohio:

Section 1: The Administration is authorized and directed to dispose of obsolete city vehicles at a public sale through GovPlanet/IronPlanet, a list of which is described in Exhibit “A”, attached hereto and incorporated by reference.

Section 2: This Council finds and determines that all formal actions of this Council concerning and relating to the adoption of this Resolution were taken in an open meeting of this Council and that all deliberations of the Council and of any of its Committees comprised of a majority of the members of the Council that resulted in those formal actions were in meeting open to the public, in compliance with the law.

Section 3: That this Resolution shall take effect and be in force from and after the earliest date provided for by law.

PASSED: _____
PRESIDENT OF COUNCIL

ATTEST: _____
CLERK OF COUNCIL APPROVED

FILED WITH
THE MAYOR: _____
MAYOR MARIE GALLO

Exhibit A

FIRE	2013	FORD	Explorer	1FM5K8AR2DGB59218
SERVICE	1999	FORD	Dump Truck	3FDWF36S3XMA28834
POLICE	2000	MERC	Grand Marq.	2MEFM75W8YX738161
POLICE	2014	CHEVY	Cruze	1G1PC5SB7E7234886
POLICE	2013	FORD	Taurus	1FAHP2M8XDG175952
POLICE	2014	DODGE	Charger	2C3CDXKT8EH288388
POLICE	2016	FORD	Taurus	1FAHP2MK4GG154935

RESOLUTION NO. 2023 - 20

A RESOLUTION AUTHORIZING AND DIRECTING THE ADMINISTRATION TO ENTER INTO A PROJECT AGREEMENT WITH THE NORTHEAST OHIO REGIONAL SEWER DISTRICT (NEORS) TO PROCURE PROFESSIONAL ENGINEERING DESIGN SERVICES TO PREPARE THE PLANS, SPECIFICATIONS, AND COST ESTIMATES FOR THE BLOSSOM AND SUTHERLAND AVENUES SEWER IMPROVEMENT PROJECT, TO RECEIVE AND EXPEND FUNDING FROM A WATER POLLUTION CONTROL LOAN FUND (WPCLF) PRINCIPAL FORGIVENESS LOAN, AND DECLARING AN EMERGENCY

WHEREAS, the Administration has determined that the Blossom and Sutherland Avenues Sewer Improvement Project would benefit from additional engineering services from NEORS; and

WHEREAS, the Administration intends to utilize funds from a Water Pollution Control Loan Fund (WPCLF) Principal Forgiveness loan to fund NEORS's procurement of plans, specifications, and cost estimates of the Project; and

WHEREAS, Council desires NEORS to procure professional engineering design services to prepare the plans, specifications, and cost estimates for such Project improvements, and to file such specifications for bidding documents in the appropriate public office.

NOW, THEREFORE, BE IT RESOLVED, by the Council of the City of Parma Heights, County of Cuyahoga and State of Ohio:

Section 1: The Administration is hereby authorized and directed to execute a Project Agreement with NEORS, and to execute any further documents and take any further actions to procure professional engineering design services to prepare the plans, specifications, and cost estimates for the Blossom and Sutherland Avenues Sewer Improvement Project under the provisions, terms, and conditions set forth in Exhibit "A", attached hereto and incorporated by reference.

Section 2: The Administration is further authorized and directed to compensate NEORS for the necessary professional engineering design services from a WPCLF Principal Forgiveness loan, including the authorization to receive and pay funds from such loan up to the maximum loan value, and to execute any further documents and take any further actions as set forth in Exhibit "B", attached hereto and incorporated by reference.

Section 3: This Council finds and determines that all formal actions of this Council concerning and relating to the adoption of this Resolution were taken in an open meeting of this Council and that all deliberations of the Council and of any of its Committees comprised of a majority of the members of the Council that resulted in those formal actions were in meetings open to the public, in compliance with the law.

Section 4: This Resolution is declared to be an emergency measure immediately necessary for the public peace, health, and safety of the Municipality, and for the further reason that the City must seek funding and commence the Blossom and Sutherland Avenues Sewer Improvement Project in a timely manner; wherefore, this Resolution shall be in full force and effect from and immediately after its passage by Council and approval by the Mayor.

PASSED: _____

PRESIDENT OF COUNCIL

ATTEST: _____
CLERK OF COUNCIL

APPROVED

FILED WITH
THE MAYOR: _____

MAYOR MARIE GALLO

EXHIBIT A

PROJECT AGREEMENT

BY AND BETWEEN

NORTHEAST OHIO REGIONAL SEWER DISTRICT

AND

CITY OF PARMA HEIGHTS

FOR

BLOSSOM AND SUTHERLAND AVENUES SEWER IMPROVEMENT PROJECT

This Agreement ("Agreement") is entered into this ___ day of _____, 2023 ("Effective Date") by and between the Northeast Ohio Regional Sewer District ("District") a regional sewer district organized and existing as a political subdivision under Chapter 6119 of the Ohio Revised Code, acting pursuant to Resolution No. 274-22, adopted by the Board of Trustees of the District on August 18, 2022 (attached hereto as Exhibit "A"), and the City of Parma Heights ("City"), a Charter Municipality of the State of Ohio, acting pursuant to Ordinance No. _____ passed by its City Council on _____ (attached hereto as Exhibit "B").

RECITALS

WHEREAS, the State of Ohio has created the Water Pollution Control Loan Fund (WPCLF) pursuant to O.R.C. 6111.036 to provide financial assistance for water resource protection and improvement actions; and

WHEREAS, 33 U.S.C. §§ 1381-1389 created clean water state revolving funds for the design of clean water projects (Clean Water SRF), which are being distributed in Ohio through the WPCLF; and

WHEREAS, Ohio Environmental Protection Agency's (Ohio EPA) Division of Environmental and Financial Assistance (DEFA), with the support of the Ohio Water Development Authority (OWDA), administer Ohio's Clean Water SRF funds through the WPCLF through the acceptance of nominations for clean water projects; and

WHEREAS, the District assisted the City in nominating the design portion of the City's Blossom and Sutherland Avenues Sewer Improvements Project (the "Project") for WPCLF funding; and

WHEREAS, DEFA is in the process of reviewing the nominations and may award the WPCLF funds to the City via a principal forgiveness loan in an amount up to \$1,4000,000.00 (Loan Amount) for the design portion of the City's Project,

WHEREAS, the District has agreed to procure professional engineering design services for the design of the City's Project (the "District Services"), and to be reimbursed for such District Services from the City's WPCLF funds, all in accordance with the terms and conditions contained in this Agreement; and

WHEREAS, the District is authorized under Ohio Revised Code Section 6119.06 (P) to enter into contracts with any person or any political subdivision to render services to such contracting party for any service the District is authorized to provide; and is further authorized under Ohio Revised Code Section 6119.06 (O) to make and enter into all contracts and agreements and execute all instruments necessary or incidental to the performance of its duties and the execution of its powers under Chapter 6119 of the Revised Code;

NOW, THEREFORE, in consideration of the foregoing and the agreements set forth herein, the parties agree as follows:

Section 1. District Procurement of Design of the City's Project

- 1.1 District Services. The District shall be responsible for the performance of the District Services, which generally consist of procurement and administration of professional design services for the design of the City's Project. The Project is described in the City's Nomination Form (Exhibit "C").
- 1.2 Procurement Process. The District Services shall be procured by the District in accordance with the District's contracting requirements, including those contained in Ohio Revised Code Chapter 153, and in accordance with the design and performance specifications contained in the nomination for WPCLF funds submitted by the City to the Ohio EPA, subject to modifications agreed upon by the City and the District.
- 1.3 Contracting. The District's standard professional services agreement and other contract forms and documents shall be used by the District relative to performance of the District Services. The City shall be contractually named as a direct third-party beneficiary of all professional services agreements for the District Services and the District shall provide the City fully-executed copies of such agreements.
- 1.4 Project Documentation. The City shall provide the District any documents in its possession related to any design services performed for the Project, including any studies or assessments. The City shall further authorize its engineering and design professionals to fully communicate with and provide to the District any documentation they may have related to the Project.
- 1.5 Application Schedule. The City shall submit a complete DEFA loan application, including the professional services agreements referenced in Section 1.3 above and all other supporting documents and information required by DEFA, by the end of third quarter 2023.
- 1.6 Final Design Documents. The District shall provide the City the final design documents at the completion of the District's Services.

- 1.7 Real Estate Interests. The District and the City shall coordinate with all necessary utility companies and persons or entities in finalizing the plans and specifications.

Section 2. Reviews for Design

- 2.1 The City shall:

- (i) review the Basis of Design Report, 60% design submittal, the 90% design submittal, and the 100% design for final design review;
- (ii) receive up to ten (10) working days for each round of review and comment at the minimum Basis of Design, 60%, 90% and 100% design completion milestones; and
- (iii) attend all monthly progress meetings, for which the City will receive at least five (5) working days advance notice, and receive meeting minutes with five (5) working days for review and comment as necessary.

Section 3. DEFA Funding

- 3.1 Project Costs. The Loan Amount is equivalent to the District's conservative estimate of design costs. In the event the actual cost of the District Services are in excess of the Loan Amount, including, but not limited to, costs for unforeseen conditions, costs for asserting or defending claims arising from the Project design, or the costs for acquiring the real estate interests described in Section 1.7 above, such additional costs shall be borne by the City and the District shall have no responsibility to pay such costs. The District shall provide quarterly progress reports to the City relative to schedule/milestones and cost estimate updates, as well as identify potential costs not covered by WPCLF funds.

In the event that the District incurs consultant or other expenses due to City action or inaction, and such expenses are not covered by the WPCLF funds, then the City shall timely pay all said costs or reimburse the District all said costs.

The City shall pay all OWDA loan administration fees, which are presently estimated to be 0.35% of the total Loan Amount, in the approximate amount of \$4,900.00. The District shall have no obligation to perform the District Services until the City satisfies all OWDA loan administration fees.

For avoidance of doubt, the Loan Amount does not include costs for legal, administrative or project management services performed in-kind by the District.

- 3.2 Payment of Funds. The parties agree that the WPCLF funds shall be paid by the City to the District for the District's performance of the District Services, after District approval of consultant pay requests.
- 3.3 Additional Work. Should the City determine there is potential for performance of additional design work under the Project, the City may request the District add work scope to the Project at the City's cost. The District may accept or deny this request. In such event, the

parties may enter into a modification to memorialize such additional work to be paid for by the City.

Section 4. Public Participation. The City shall take the lead on public participation under the Project. The District shall support the City to develop public participation plans to inform and encourage participation by the public relative to the Project, as well as responding to and resolving any disputes or complaints from the public.

Section 5. Term. The term of this Agreement shall begin as of the date first-above written and shall expire upon completion of all obligations contained herein. This Agreement shall automatically terminate by its own terms in the event that (i) the City does not execute the DEFA loan agreement or fails to complete any necessary steps to secure the WPCLF funds; or (ii) DEFA revokes all or part of the WPCLF funding for any reason; or (iii) the City determines not to proceed with the Project at any point prior to completion of District Services, in which case the City shall reimburse the District for all Project expenses incurred by the District.

Section 6. Dispute Resolution. The parties shall continue the performance of their obligations under this Agreement notwithstanding the existence of a dispute. The Parties shall first try to resolve the dispute at the level of the designated representatives, or their successors, as follows:

DISTRICT REPRESENTATIVE	CITY REPRESENTATIVE
Engineering & Construction Program Manager	

If the Parties are unable to resolve the dispute at that level within ten (10) working days, the Parties shall escalate the issue to the following level to resolve the dispute:

DISTRICT REPRESENTATIVE	CITY REPRESENTATIVE
Director of Engineering and Construction	

If the Parties are unable to resolve the dispute at that level within ten (10) working days, the Parties shall escalate the issue to the following level to resolve the dispute:

DISTRICT REPRESENTATIVE	CITY REPRESENTATIVE
Chief Executive Officer	

Section 7. Remedies. The parties agree that, after exhausting the dispute resolution process outlined above, all claims, counter-claims, disputes and other matters in question between the District and City arising out of or relating to this Agreement, or the breach thereof, will be decided at law in Cuyahoga County. This Agreement shall be governed by and interpreted according to the law of the State of Ohio.

Section 8. Counterpart Signatures. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but which counterparts when taken together shall constitute one Agreement.

Section 9. Disclaimer of Joint Venture. This Agreement is not intended to create a joint venture, partnership or agency relationship between the City and the District, and such joint venture, partnership, or agency relationship is specifically hereby disclaimed.

Section 10. Authority to Execute. Each person executing this Agreement represents and warrants that it is duly authorized to execute this Agreement by the party on whose behalf it is so executing.

Section 11. No Third-Party Beneficiaries. This Agreement is intended for the benefit of the parties hereto and is not for the benefit of, nor may any provision hereof be enforced by, any other person.

Section 12. Severability. If any term or provision of this Agreement is determined to be illegal, unenforceable, or invalid, in whole or in part for any reason, such provision shall be stricken from this Agreement and such provision shall not affect the validity of the remainder of this Agreement.

Section 13. Release of Liability. The City hereby releases the District from all liability for the design services performed by the District's professional design consultant(s).

Section 14. Exhibits. The following exhibits are attached hereto and incorporated herein:

- Exhibit "A" – District Resolution
- Exhibit "B" – City Ordinance
- Exhibit "C" – City's Nomination Form

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

The parties hereto have executed and delivered this Agreement as of the date first above written.

NORTHEAST OHIO REGIONAL SEWER DISTRICT

By: _____
Kyle Dreyfuss-Wells
Chief Executive Officer

and: _____
Darnell Brown, President
Board of Trustees

CITY OF PARMA HEIGHTS

By: _____

Title: _____

The legal form and correctness of this instrument is approved.

City of Parma Heights

By: _____
Assistant/Director of Law

Date: _____

This Instrument Prepared By:

Katarina K. Waag
Assistant General Counsel
Northeast Ohio Regional Sewer District

Each party agrees that this Agreement may be executed and distributed for signatures via email, and that the emailed signatures affixed by both parties to this Agreement shall have the same legal effect as if such signatures were in their originally written format.

AGREEMENT NO.

NORTHEAST OHIO REGIONAL SEWER
DISTRICT

WITH

CITY OF PARMA HEIGHTS

FOR

BLOSSOM AND SUTHERLAND AVENUES
SEWER IMPROVEMENTS PROJECT

Total Approximate Cost: \$1,400,000.00

The legal form and correctness of the within
instrument are hereby approved.

ERIC J. LUCKAGE
CHIEF LEGAL OFFICER

Date

CERTIFICATION

It is hereby certified that the amount
required to meet the contract, agreement,
obligation, payment or expenditure, for
the above, has been lawfully appropriated
or authorized or directed for such purpose
and is in the Treasury or in process of
collection to the credit of the fund free
from any obligation or certification now
outstanding.

KENNETH J. DUPLAY
CHIEF FINANCIAL OFFICER

Date

EXHIBIT B

OWDA 1/30/2020

COOPERATIVE AGREEMENT FOR STATE PLANNING PROJECT

THIS AGREEMENT made and entered into as of the date specified on Schedule I hereto (the "Term Sheet," which is fully incorporated herein and made a part hereof) as the "Agreement Date," by and between the OHIO WATER DEVELOPMENT AUTHORITY, a body corporate and politic organized and existing under the provisions of Chapter 6121 of the Revised Code of Ohio (hereinafter referred to as the "OWDA") and the governmental body specified as the "LGA" on the Term Sheet (hereinafter referred to as the "LGA"), a governmental body organized and existing under the laws of the State of Ohio and acting pursuant to an ordinance or a resolution passed by the legislative authority thereof on the date specified on the Term Sheet as the Resolution Date.

WITNESSETH:

WHEREAS, the OWDA has been created, among other reasons, to carry forward the declared public policy of the State of Ohio to preserve, protect, upgrade, conserve, develop, utilize and manage the water resources of the state, to prevent or abate the pollution of water resources, to promote the beneficial use of waters of the state for the protection and preservation of the health, safety, convenience, and welfare, and the improvement of the economic welfare and employment opportunities of and the creation of jobs for the people of the state, and to assist and cooperate with other governmental agencies in achieving such purposes through the establishment, operation and maintenance of water development projects pursuant to Chapter 6121 of the Revised Code; and

WHEREAS, the utility system (hereinafter referred to as the "System") of the LGA will require the supply of services from the construction, operation and maintenance of new or additional facilities (which facilities are hereafter referred to as the "Project Facilities"); and

WHEREAS, the construction of the Project Facilities requires the planning of such facilities and construction and the financing of such planning; and

WHEREAS, the OWDA and LGA have determined to enter into this Agreement to set forth their respective obligations with respect to the financing of the planning activities contemplated hereby;

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the parties hereto do hereby agree as follows:

ARTICLE I - DEFINITIONS

Except where the context clearly indicates otherwise, the following terms as used in this Agreement shall have the meaning ascribed to them in this Article:

(a) “Approved Application” means the application, dated as of the date specified on the Term Sheet as the “LGA Application Date,” submitted to the OWDA together with all attachments, supporting documentation, amendments and supplements thereto as approved by the OWDA on the date specified on the Term Sheet as the “OWDA Application Approval Date,” together with any amendments thereto approved by the LGA and the OWDA after the date of this Agreement.

(b) “Consulting Engineer” means the firm identified as such in the Term Sheet, from whom the LGA has received a proposal to perform the engineering services contemplated hereby.

(c) “Contract Interest Rate” means the rate specified as such on the Term Sheet.

(d) “Contract Period of Years” means, subject to Section 3.3 hereof, the period commencing on the date specified in the Term Sheet as the “Initial Payment Date” and ending on the earlier of (i) the tenth Payment Date, or (ii) the date on which the LGA obtains long-term financing for the Project Facilities. In the event that the LGA obtains a subsequent loan from the OWDA for planning costs of the Project Facilities, then the Contract Period of Years for such loan shall expire no later than the expiration of the Contract Period of Years hereunder.

(e) “Default Rate” means a rate equal to the Contract Interest Rate plus three percentage points.

(f) “Eligible Project Costs” shall include, whether incurred before or after the date of this Agreement (but if incurred prior to the date hereof, subject to the restrictions set forth in the first proviso below), the following planning costs of the Project Facilities costs incurred in the preparation of preliminary engineering data, cost estimates, and schedules for completion of design and construction, schematic flow diagrams, unit processes, design data regarding detention times, flow rates, sizing of units, descriptions of the selected complete treatment systems of which the proposed facilities are a part, infiltration/inflow documentation, and cost-effectiveness analysis, and preparation of detailed plans, construction drawings and specifications; costs of printing and publishing the notices and legislation required; costs incurred for the acquisition of real property or interests therein, subject to the second proviso set forth below; legal expenses; administrative expenses of the OWDA in the amount of 0.35% of all Eligible Project Costs other than such administrative expenses or \$400, whichever is greater; and all other costs and expenses necessary or incident to determining the feasibility or practicability of constructing the proposed Project Facilities or preparatory to the acquisition and construction of the Project Facilities or otherwise described on Exhibit A, minus the amount of any grant applicable to the foregoing costs from the United States of America or any department or agency thereof; provided, however, that Eligible Project Costs shall include costs incurred prior to the

date hereof only if and to the extent that, in the opinion of nationally recognized bond counsel satisfactory to the OWDA, the payment of such costs by the OWDA would not cause the interest on any debt obligations of the OWDA to cease to be excluded from gross income for purposes of federal income taxation; and provided further, however, that Eligible Project Costs shall include costs for the acquisition of real property or interests therein (other than easements) only if the OWDA shall have received from the LGA reasonably sufficient assurances as to environmental matters related to such real property. Notwithstanding anything contained herein to the contrary, Eligible Project Costs shall not include any commissions, fees and/or expenses which may be owed by the LGA to a broker or finder as a result of or in connection with the OWDA's agreement to pay the Eligible Project Costs to the LGA as provided herein.

(j) "Initial Payment Date" means the first January 1 or July 1 that occurs after the first anniversary of the date of this Agreement.

(l) "Payment Date" means the Initial Payment Date and each January 1 and July 1 thereafter during the Contract Period of Years.

(g) "Pledged Revenues" means the revenues derived by the LGA from the ownership and operation of the System (including, without limitation, any Special Assessment Funds), net of the costs of operating and maintaining the System and paying all amounts required to be paid under any Mortgage, Indenture, of Mortgage, Trust Agreement or other instrument heretofore or hereafter entered into by the LGA to secure debt obligations heretofore or hereafter issued or incurred by the LGA for the System.

(h) "Original Loan Amount" means those Eligible Project Costs that are paid with moneys disbursed out of funds of the OWDA, which costs shall in no event exceed the amount specified on the Term Sheet as the "Maximum Original Loan Amount."

(i) "Semiannual Payment Obligations" means the amounts payable semiannually by the LGA to amortize the Original Loan Amount over the Contract Period of Years with interest on the outstanding balance of the Original Loan Amount at the Contract Interest Rate, based upon the following requirements: (i) the Semiannual Payment Obligations payable on the Initial Payment Date and on each Payment Date thereafter to and including the ninth Payment Date shall each consist of one-fortieth (1/40) of the Original Loan Amount; and (ii) the Semiannual Payment Obligation payable on the tenth Payment Date shall, subject to Section 3.3 hereof, consist of :

(A) the Original Loan Amount, minus

(B) the portions of the Original Loan Amount paid prior to the tenth Payment Date, plus

(C) interest on each portion of the Original Loan Amount at the Contract Interest Rate from the date of its disbursement by the OWDA to the tenth Payment Date, net of an interest credit at the Contract Interest Rate for each payment of any portion of the Original Loan Amount from the date of such payment to the tenth Payment Date.

An estimate of the Semiannual Payment Obligations based on the Maximum Original Loan Amount and the Contract Interest Rate is specified on the Term Sheet beneath the Maximum Original Loan Amount.

If any Payment Date occurs prior to the final determination of the Original Loan Amount, the Semiannual Payment Obligation payable on that date shall be based upon the best figures available at the time the computation of such Semiannual Payment Obligation is required to be made. When such final costs are known, the Semiannual Payment Obligation shall be recomputed, and the next following Semiannual Payment Obligation shall be either increased or decreased by an amount sufficient to correct for any overpayment or underpayment resulting from underestimate or overestimate of the Original Loan Amount (but not from any prepayment of any portion of the Original Loan Amount) through the date of such recomputation, so that the total amount received by OWDA over the Contract Period of Years will be the same amount as would have been received had the final Original Loan Amount been used in computing the Semiannual Payment Obligations at the commencement of the Contract Period of Years.

(i) "Special Assessment Funds" means the proceeds from the special assessments to be hereafter levied, if any, by the LGA to pay all or a portion of the cost of the Project Facilities.

ARTICLE II - PERFORMANCE OF PLANNING ACTIVITIES AND RECORD KEEPING AND PAYMENTS RELATING THERETO

Section 2.1. Subject to the terms and conditions of this Agreement, the LGA shall perform or cause to be performed the planning activities set forth in Exhibit A attached hereto and made a part hereof, including the employment of the Consulting Engineer pursuant to its proposal.

Section 2.2. The LGA shall keep accurate records of the Eligible Project Costs. All requests submitted by the LGA for the payment or reimbursement of incurred Eligible Project Costs shall include evidence of the costs incurred and will be prepared so that such costs may be readily itemized and identified as to grant eligible costs and non-grant eligible costs. The LGA shall permit the OWDA, acting by and through the Executive Director of the OWDA or his authorized representatives, to inspect all books, documents, papers and records relating thereto at any and all reasonable times for the purpose of audit and examination, and the LGA shall submit to the OWDA such documents and information as they may require in connection therewith.

Section 2.3. Subject to the terms and conditions of this Agreement, the Eligible Project Costs shall be paid by the OWDA.

Section 2.4. The OWDA shall deliver to the LGA a certificate, certifying that moneys in the amount necessary to pay the Eligible Project Costs obligated or to be obligated up to the Maximum Original Loan Amount are available or are in the process of collection and have been encumbered by the OWDA. When such Eligible Project Costs have been incurred and payment requested from the OWDA by the LGA in form and detail satisfactory to the OWDA, the OWDA shall cause to be delivered checks in payment of the invoices, demands for payment, approved contractors' estimates or other evidence of cost incurrence to the persons or entities

entitled to payment in conformity with the encumbrance of funds to pay such obligated Eligible Project Costs.

Section 2.5. The LGA shall promptly notify the OWDA in writing when the planning activities for the Project Facilities have been completed and when no further Eligible Project Costs are to be paid with OWDA disbursements under this Agreement.

Section 2.6. Notwithstanding anything contained herein to the contrary, the obligation of the OWDA to pay Eligible Project Costs pursuant to the terms and conditions of this Agreement shall expire two (2) years from the date hereof. Upon the expiration of the aforesaid period of years, the OWDA shall not be obligated to pay any additional Eligible Project Costs to the LGA hereunder. In the event that the OWDA, in its sole discretion, decides to pay additional Eligible Project Costs after the expiration of its obligation to do so hereunder, it shall so notify the LGA. No such decision by the OWDA to pay any additional Eligible Project Costs hereunder shall be deemed to constitute an extension of its obligation to pay Eligible Project Costs hereunder.

ARTICLE III - PAYMENTS BY LGA

Section 3.1. Subject to the further provisions hereinafter set forth, the LGA agrees to pay, and shall pay, to the OWDA on each Payment Date the Semiannual Payment Obligation, but solely from the Pledged Revenues. In the event that the LGA pays less than the full amount due hereunder on any date, then the amount so paid shall be applied first to interest payable hereunder, then to late charges payable hereunder, and then to the Original Loan Amount payable hereunder.

The obligation of the LGA to pay the charges set forth shall not be assignable, and the LGA shall not be discharged therefrom, without the prior written consent of the OWDA. In the event that the LGA defaults in the payment of any of the charges set forth in this Section 3.1, the amount of such default shall bear interest at the Default Rate from the date of the default until the date of the payment thereof. Interest at the Default Rate shall be calculated for the actual number of days of default from the due date until payment on the basis of a 360-day year. If the LGA does not pay any of the charges set forth in this Section 3.1 on or before the 30th day after the due date, in addition to the interest calculated at the Default Rate, a "late charge" of one percent (1%) on the amount of each default shall also be paid to the OWDA by the LGA for failure to make the payment as provided herein. Thereafter, for each additional 30 days during which the charges remain unpaid, the LGA shall continue to pay an additional late charge of one percent (1%) on the amount of such default until such charges are paid. Late charges shall apply to defaulted Semiannual Payment Obligations, interest and defaulted interest, and prior late charges. In no event shall the OWDA collect interest or late charges in excess of the maximum amount permitted by law. In addition to the foregoing, in the event of a default as aforesaid, all of the costs incurred by the OWDA in curing such default, including, but not limited to, court costs and attorney fees, shall be paid as part of the Eligible Project Costs hereunder and shall be repaid by the LGA to the OWDA as part of the Original Loan Amount.

Anything in this Agreement to the contrary notwithstanding, neither the general resources of the LGA shall be required to be used, nor shall the general credit of the LGA be

pledged for the performance of any duty under this Agreement, but any payment to be made under this Agreement shall be required to be made only from the Pledged Revenues, which are hereby pledged to such payment; provided, however, that, if otherwise lawful, nothing herein shall be deemed to prohibit the LGA from using, of its own volition, any of its general resources for the fulfillment of any of the terms and conditions of this Agreement.

The LGA may at any time and from time to time pay all or any portion of the Original Loan Amount prior to the time such payment is due hereunder, and may do so from the proceeds of long-term financing for the Project Facilities (whether obtained through the OWDA or by other means) or from any other legally available funds. Upon the receipt of any prepayment of all or any portion of the Original Loan Amount, the OWDA shall credit such payment in the same manner that it would credit the payment of a portion of the Original Loan Amount made through the payment of a Semiannual Payment Obligation.

Section 3.2. The LGA hereby agrees that: (a) it will at all times prescribe and charge such rates for the services of the System as shall result in Pledged Revenues, at least adequate to provide for the payments required by Section 3.1 hereof; (b) the LGA will furnish to the OWDA annually reports of the operation and income of the System and also an annual report of the accounts and operations of the System and will permit the authorized agent of the OWDA to inspect all records, accounts and data of the System at all reasonable times; (c) the LGA will segregate the revenues, funds and properties of the System from all other funds and properties of the LGA; and (d) if and to the extent that the Approved Application indicates that any of the payments to be made by the LGA hereunder are to be made from revenues derived from special assessments, the LGA will take all actions required to be taken under all applicable laws of the State and all applicable charter, ordinance or resolution provisions of the LGA to collect such special assessments to the full extent required to pay all amounts payable to the OWDA hereunder in full when due. All of the obligations under this Section are hereby established as duties specifically enjoined by law and resulting from an office, trust or station upon the LGA within the meaning of R.C. Section 2731.01.

Section 3.3. If, prior to the tenth Payment Date, the LGA submits a written request, duly authorized by its legislative authority, to the OWDA, stating that the LGA does not expect to obtain long-term financing for the Project Facilities prior to the tenth Payment Date, and requesting that the Contract Period of Years be extended to permit the LGA to amortize the Original Loan Amount over a longer period, then OWDA may (but shall be under no obligation to) agree to extend the Contract Period of Years, provided that: (i) on each Payment Date thereafter during the extended Contract Period of Years, the LGA shall be obligated to pay no less than one-fortieth (1/40) of the Original Loan Amount plus all accrued interest on the outstanding balance of the Original Loan Amount at the Contract Interest Rate; (ii) in any event, the latest date by which the Original Loan Amount shall be required to be fully repaid with all accrued interest thereon shall be no later than the fortieth (40th) Payment Date; (iii) the OWDA shall not approve any such request unless it determines that the LGA has demonstrated to the OWDA's satisfaction that the LGA's Pledged Revenues are and can reasonably be expected to remain sufficient to meet the LGA's payment obligations during the proposed extension of the Contract Period of Years; and (iv) upon any failure of the LGA to make a full and timely payment of its payment obligations during the proposed extension of the Contract Period of Years, then the full amount of the outstanding balance of the Original Loan Amount and all interest accrued thereon at the Contract Interest Rate shall become immediately due and payable, with interest thereon accruing thereafter at the

Default Rate. If the OWDA agrees to such an extension of the Contract Period of Years, it shall prepare a revised Term Sheet that supersedes the initial Term Sheet, setting forth the length of the extended Contract Period of Years and the Semiannual Payment Obligations of the LGA during that period.

ARTICLE IV - - REPRESENTATIONS AND AGREEMENTS OF THE LGA
IN REGARD TO ENVIRONMENTAL MATTERS; EVENTS OF
DEFAULT AND REMEDIES THEREFOR; INDEMNIFICATION

Section 4.1. The LGA hereby represents that:

(a) It is, and the LGA hereby covenants that it shall remain, in compliance with all applicable federal, state and local environmental laws and regulations during the Contract Period of Years;

(b) There is no litigation or administrative action or proceeding pending or, to the best of its knowledge, threatened against the LGA, alleging a violation of any federal, state or local environmental law or regulation applicable to the System except as set forth in the attached;

(c) No judgment or consent order has been rendered against it nor is it a party to any agreement, which consent order, judgment or agreement imposes, will impose or has imposed any fines or monetary penalties for the violation of any federal, state or local environmental law or regulation applicable to the System that have not been paid in full except as set forth in the attached; and

(d) If and to the extent that the Approved Application indicates that any of the payments to be made by the LGA hereunder are to be made from revenues derived from special assessments, the LGA has taken all actions required to be taken under all applicable laws of the State and all applicable charter, ordinance or resolution provisions of the LGA in order for such assessments to be levied at the times and in the amounts necessary to enable the LGA to pay all amounts payable to the OWDA hereunder in full when due, and has provided to the Authority a certified copy of all ordinances or resolutions authorizing the levy of such special assessments, all of which are in full force and effect.

Section 4.2. The LGA agrees that each of the following shall be an event of default (“Event of Default”) under this Agreement:

(a) The LGA shall fail to make any payment to the OWDA required pursuant to this Agreement when the same is due and payable, including, without limitation, any amount due and payable pursuant to Article III hereof.

(b) The LGA shall fail to observe and perform any obligations, agreements or provisions herein, which failure shall continue for thirty (30) days after receipt of written notice thereof from the OWDA.

(c) Any representations made by the LGA in Section 4.1. shall at any time during the Contract Period of Years prove to be false.

Section 4.3. Whenever an Event of Default shall have happened and be subsisting, the OWDA may exercise any and all rights and remedies for the enforcement of the obligations of the LGA hereunder. In addition to any other rights or remedies provided herein, by law or otherwise, the OWDA may, to the extent permitted under any judgment, consent order or agreement affecting the LGA, require the LGA to agree to subordinate the payment of any fines or penalties imposed for the violation of any federal, state or local environmental law or regulation applicable to the System to the payment of the Project Participation Principal Amount and the interest and any late charges due thereon, and the LGA hereby agrees to use its best efforts to effect such subordination.

Section 4.4. No right or remedy conferred upon the OWDA under Section 4.3 hereof is intended to be exclusive of any other right or remedy given herein, by law or otherwise. Each right or remedy shall be cumulative and shall be in addition to every other remedy given herein, by law or otherwise.

Section 4.5. The LGA releases the OWDA from, agrees that the OWDA shall not be liable for, and agrees, to the fullest extent permitted by law, to hold the OWDA, its officers, employees and agents harmless against, any loss or damage to property, or any loss or injury to or death of any person, or any other loss or damage, that may be occasioned by any cause whatsoever pertaining to the System, the Project, or the use thereof; provided that such indemnity under this Section shall not be effective for damages that result from negligent or intentional acts of the OWDA, its officers, employees and agents. The LGA further agrees, to the fullest extent permitted by law, to indemnify and hold harmless the OWDA and its officers, employees and agents against and from any and all cost, liability, expenses and claims arising from any breach or default on the part of the LGA in the performance of any covenant or agreement on the part of the LGA to be performed pursuant to the terms of this Agreement, arising from the acquisition, construction, installation, or improvement of the Project or arising from any act or negligence of or failure to act by the LGA, or any of its agents, contractors, servants, employees or licensees, or arising from any accident, injury or damage whatsoever caused to any person, firm, or corporation resulting from the Project or the System (other than any accident, injury, or damage that results from negligent or intentional acts of the OWDA, its officers, employees and agents), and from and against all cost, liability and expenses incurred in or in connection with any such claim or action, arbitration or proceeding brought thereon.

In case any action or proceeding be brought against the OWDA by reason of any claim described in this Section, the OWDA agrees to cause written notice of such action or proceeding to be given to the LGA, and the LGA upon notice from the OWDA covenants to resist or defend such action or proceedings at the LGA's expense including all legal and other expenses (including reasonable attorneys' fees).

Each party agrees that the venue of any suit, action or proceedings relating to this Agreement will be the courts of the County of Franklin, Ohio or the Ohio Supreme Court, and each party irrevocably waives any objection that it may have to that venue and waives any right to trial by jury for any such suit, action or proceedings.

ARTICLE V - MISCELLANEOUS PROVISIONS

Section 5.1. Any invoice, accounting, demand, or other communication under this Agreement by either party to the other shall be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prep aid, return receipt requested, or delivered personally, and

(i) in the case of the OWDA, is addressed to or delivered personally to the OWDA at:

The Ohio Water Development Authority
480 South High Street
Columbus, OH 43215

and

(ii) in the case of the LGA, is addressed to or delivered personally to the LGA at the address specified on the Term Sheet as the "LGA Notice Address," or at such other addresses with respect to either such party as that party may from time to time, designate in writing and forward to the other as provided in this Section.

Section 5.2. Any approval of the OWDA required by this Agreement shall not be unreasonably withheld and shall be deemed to have been given on the thirtieth day following the submission of the matter requiring approval to the Executive Director of the OWDA unless disapproved in writing prior to such thirtieth day. Any provision of the Agreement requiring the approval of the OWDA or the satisfaction or evidence of satisfaction of the OWDA, shall be interpreted as requiring action by the Executive Director of the OWDA granting, authorizing or expressing such approval or satisfaction, as the case may be, unless such provision expressly provides otherwise.

Section 5.3. Upon request of the OWDA, the LGA agrees to execute the information report required by Section 149 of the Internal Revenue Code of 1986, as it may be amended from time to time, with respect to this Agreement, such form to be completed by the OWDA on the basis of information provided by the LGA. The LGA hereby agrees that the OWDA may file such information report for and on behalf of the LGA with the Internal Revenue Service.

Section 5.4. This Agreement is made subject to, and conditional upon, the approval of this Agreement as to form by the General Counsel of the OWDA and upon the certification of availability of funds as provided in Section 2.4 hereof.

Section 5.5. This Agreement shall become effective as of the date first set forth hereinabove and shall continue in full force and effect until the final day of the Contract Period of Years, or until the day the obligations of the LGA under Section 4.1 hereof have been fully satisfied, whichever day is later.

Section 5.6. This Agreement shall be binding upon and inure to the benefit of the parties hereto and to any person, office, board, department, agency, municipal corporation, or body politic and corporate succeeding by operation of law to the powers and duties of either of the parties hereto. This Agreement shall not be assigned by the LGA without the prior written consent of the OWDA. The OWDA, at its option, may assign this Agreement without the consent of the LGA. All references to the Environmental Protection Agency of the United States of America or to the Environmental Protection Agency of the State of Ohio or to any offices or divisions of either shall include any successors thereto.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective duly authorized officers as of the day and year first hereinabove written.

APPROVED AS TO FORM

OHIO WATER DEVELOPMENT
AUTHORITY

OWDA General Counsel

by _____
OWDA Executive Director

APPROVED AS TO FORM

LGA: _____

by _____

TERM SHEET

NOTE: The term sheet will be generated by OWDA after the loan is approved at the board meeting.

Exhibit A

DESCRIPTION OF PLANNING ACTIVITIES TO BE PERFORMED BY LGA

RESOLUTION NO. 2023 –21

A RESOLUTION AUTHORIZING AND DIRECTING THE ADMINISTRATION TO APPLY FOR, ACCEPT, AND ENTER INTO A WATER POLLUTION CONTROL LOAN FUND (WPCLF) AGREEMENT ON BEHALF OF THE CITY OF PARMA HEIGHTS FOR THE DESIGN SERVICES OF THE BLOSSOM AND SUTHERLAND AVENUES SEWER IMPROVEMENT PROJECT, AND AUTHORIZING THE SIGNING OF THE CONTRACTS AND OTHER DOCUMENTS RELEVANT THERETO, AND DECLARING AN EMERGENCY

WHEREAS, the City of Parma Heights seeks to improve the existing common trench sewer system to reduce the basement back-ups and provide capacity enhancements near the Blossom and Sutherland Avenue areas; and

WHEREAS, the City of Parma Heights intends to apply for a 2023 Water Pollution Control Loan Fund (WPCLF) Principal Forgiveness loan for design services of the Blossom and Sutherland Avenues Sewer Improvement Project; and

WHEREAS, the WPCLF requires the governing authority to pass legislation for application of a loan and the execution of an agreement; and

WHEREAS, the City of Parma Heights is a local government eligible to receive Funding for an eligible activity through the Water Pollution Control Loan Fund Program Year 2023 Final Program Management Plan; and

WHEREAS, the 2023 WPCLF Principal Forgiveness funds may be available through the Ohio EPA’s Division of Environmental and Financial Assistance (DEFA) and the Ohio Water Development Authority (OWDA) in an amount not exceeding One Million, Four Hundred Thousand Dollars and Zero Cents (\$1,400,000.00) to fund the Blossom and Sutherland Avenues Sewer Improvement Project.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Parma Heights, County of Cuyahoga and State of Ohio:

Section 1: That the Administration is hereby authorized and directed to make application, sign, and file all necessary contracts and documents with the Ohio EPA’s Division of Environmental and Financial Assistance (DEFA) for funding through the 2023 WPCLF Principal Forgiveness loan program for the Blossom and Sutherland Avenues Sewer Improvement Project in cooperation with the OWDA under the provisions, terms and conditions set forth in the “Cooperative Agreement for State Planning Project” as set forth in Exhibit A (the “Cooperative Agreement”) and hereby authorizes the Administration to execute the Cooperative Agreement with the OWDA as forth in Exhibit “A”, attached hereto and incorporated by reference.

Section 2: This Council finds and determines that all formal actions of this Council concerning and relating to the adoption of this Resolution were taken in an open meeting of this Council and that all deliberations of the Council and of any of its Committees comprised of a

majority of the members of the Council that resulted in those formal actions were in meetings open to the public, in compliance with the law.

Section 3: This Resolution is declared to be an emergency measure immediately necessary for the public peace, health, and safety of the Municipality, and for the further reason that the City must seek funding and commence the Blossom and Sutherland Avenues Sewer Improvement Project in a timely manner; wherefore, this Resolution shall be in full force and effect from and immediately after its passage by Council and approval by the Mayor.

PASSED: _____

PRESIDENT OF COUNCIL

ATTEST: _____

CLERK OF COUNCIL

APPROVED

FILED WITH
THE MAYOR: _____

MAYOR MARIE GALLO

EXHIBIT A

OWDA 1/30/2020

COOPERATIVE AGREEMENT FOR STATE PLANNING PROJECT

THIS AGREEMENT made and entered into as of the date specified on Schedule I hereto (the "Term Sheet," which is fully incorporated herein and made a part hereof) as the "Agreement Date," by and between the OHIO WATER DEVELOPMENT AUTHORITY, a body corporate and politic organized and existing under the provisions of Chapter 6121 of the Revised Code of Ohio (hereinafter referred to as the "OWDA") and the governmental body specified as the "LGA" on the Term Sheet (hereinafter referred to as the "LGA"), a governmental body organized and existing under the laws of the State of Ohio and acting pursuant to an ordinance or a resolution passed by the legislative authority thereof on the date specified on the Term Sheet as the Resolution Date.

WITNESSETH:

WHEREAS, the OWDA has been created, among other reasons, to carry forward the declared public policy of the State of Ohio to preserve, protect, upgrade, conserve, develop, utilize and manage the water resources of the state, to prevent or abate the pollution of water resources, to promote the beneficial use of waters of the state for the protection and preservation of the health, safety, convenience, and welfare, and the improvement of the economic welfare and employment opportunities of and the creation of jobs for the people of the state, and to assist and cooperate with other governmental agencies in achieving such purposes through the establishment, operation and maintenance of water development projects pursuant to Chapter 6121 of the Revised Code; and

WHEREAS, the utility system (hereinafter referred to as the "System") of the LGA will require the supply of services from the construction, operation and maintenance of new or additional facilities (which facilities are hereafter referred to as the "Project Facilities"); and

WHEREAS, the construction of the Project Facilities requires the planning of such facilities and construction and the financing of such planning; and

WHEREAS, the OWDA and LGA have determined to enter into this Agreement to set forth their respective obligations with respect to the financing of the planning activities contemplated hereby;

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the parties hereto do hereby agree as follows:

ARTICLE I - DEFINITIONS

Except where the context clearly indicates otherwise, the following terms as used in this Agreement shall have the meaning ascribed to them in this Article:

(a) “Approved Application” means the application, dated as of the date specified on the Term Sheet as the “LGA Application Date,” submitted to the OWDA together with all attachments, supporting documentation, amendments and supplements thereto as approved by the OWDA on the date specified on the Term Sheet as the “OWDA Application Approval Date,” together with any amendments thereto approved by the LGA and the OWDA after the date of this Agreement.

(b) “Consulting Engineer” means the firm identified as such in the Term Sheet, from whom the LGA has received a proposal to perform the engineering services contemplated hereby.

(c) “Contract Interest Rate” means the rate specified as such on the Term Sheet.

(d) “Contract Period of Years” means, subject to Section 3.3 hereof, the period commencing on the date specified in the Term Sheet as the “Initial Payment Date” and ending on the earlier of (i) the tenth Payment Date, or (ii) the date on which the LGA obtains long-term financing for the Project Facilities. In the event that the LGA obtains a subsequent loan from the OWDA for planning costs of the Project Facilities, then the Contract Period of Years for such loan shall expire no later than the expiration of the Contract Period of Years hereunder.

(e) “Default Rate” means a rate equal to the Contract Interest Rate plus three percentage points.

(f) “Eligible Project Costs” shall include, whether incurred before or after the date of this Agreement (but if incurred prior to the date hereof, subject to the restrictions set forth in the first proviso below), the following planning costs of the Project Facilities costs incurred in the preparation of preliminary engineering data, cost estimates, and schedules for completion of design and construction, schematic flow diagrams, unit processes, design data regarding detention times, flow rates, sizing of units, descriptions of the selected complete treatment systems of which the proposed facilities are a part, infiltration/inflow documentation, and cost-effectiveness analysis, and preparation of detailed plans, construction drawings and specifications; costs of printing and publishing the notices and legislation required; costs incurred for the acquisition of real property or interests therein, subject to the second proviso set forth below; legal expenses; administrative expenses of the OWDA in the amount of 0.35% of all Eligible Project Costs other than such administrative expenses or \$400, whichever is greater; and all other costs and expenses necessary or incident to determining the feasibility or practicability of constructing the proposed Project Facilities or preparatory to the acquisition and construction of the Project Facilities or otherwise described on Exhibit A, minus the amount of any grant applicable to the foregoing costs from the United States of America or any department or agency thereof; provided, however, that Eligible Project Costs shall include costs incurred prior to the

date hereof only if and to the extent that, in the opinion of nationally recognized bond counsel satisfactory to the OWDA, the payment of such costs by the OWDA would not cause the interest on any debt obligations of the OWDA to cease to be excluded from gross income for purposes of federal income taxation; and provided further, however, that Eligible Project Costs shall include costs for the acquisition of real property or interests therein (other than easements) only if the OWDA shall have received from the LGA reasonably sufficient assurances as to environmental matters related to such real property. Notwithstanding anything contained herein to the contrary, Eligible Project Costs shall not include any commissions, fees and/or expenses which may be owed by the LGA to a broker or finder as a result of or in connection with the OWDA's agreement to pay the Eligible Project Costs to the LGA as provided herein.

(j) "Initial Payment Date" means the first January 1 or July 1 that occurs after the first anniversary of the date of this Agreement.

(l) "Payment Date" means the Initial Payment Date and each January 1 and July 1 thereafter during the Contract Period of Years.

(g) "Pledged Revenues" means the revenues derived by the LGA from the ownership and operation of the System (including, without limitation, any Special Assessment Funds), net of the costs of operating and maintaining the System and paying all amounts required to be paid under any Mortgage, Indenture, of Mortgage, Trust Agreement or other instrument heretofore or hereafter entered into by the LGA to secure debt obligations heretofore or hereafter issued or incurred by the LGA for the System.

(h) "Original Loan Amount" means those Eligible Project Costs that are paid with moneys disbursed out of funds of the OWDA, which costs shall in no event exceed the amount specified on the Term Sheet as the "Maximum Original Loan Amount."

(i) "Semiannual Payment Obligations" means the amounts payable semiannually by the LGA to amortize the Original Loan Amount over the Contract Period of Years with interest on the outstanding balance of the Original Loan Amount at the Contract Interest Rate, based upon the following requirements: (i) the Semiannual Payment Obligations payable on the Initial Payment Date and on each Payment Date thereafter to and including the ninth Payment Date shall each consist of one-fortieth (1/40) of the Original Loan Amount; and (ii) the Semiannual Payment Obligation payable on the tenth Payment Date shall, subject to Section 3.3 hereof, consist of :

(A) the Original Loan Amount, minus

(B) the portions of the Original Loan Amount paid prior to the tenth Payment Date, plus

(C) interest on each portion of the Original Loan Amount at the Contract Interest Rate from the date of its disbursement by the OWDA to the tenth Payment Date, net of an interest credit at the Contract Interest Rate for each payment of any portion of the Original Loan Amount from the date of such payment to the tenth Payment Date.

An estimate of the Semiannual Payment Obligations based on the Maximum Original Loan Amount and the Contract Interest Rate is specified on the Term Sheet beneath the Maximum Original Loan Amount.

If any Payment Date occurs prior to the final determination of the Original Loan Amount, the Semiannual Payment Obligation payable on that date shall be based upon the best figures available at the time the computation of such Semiannual Payment Obligation is required to be made. When such final costs are known, the Semiannual Payment Obligation shall be recomputed, and the next following Semiannual Payment Obligation shall be either increased or decreased by an amount sufficient to correct for any overpayment or underpayment resulting from underestimate or overestimate of the Original Loan Amount (but not from any prepayment of any portion of the Original Loan Amount) through the date of such recomputation, so that the total amount received by OWDA over the Contract Period of Years will be the same amount as would have been received had the final Original Loan Amount been used in computing the Semiannual Payment Obligations at the commencement of the Contract Period of Years.

(i) "Special Assessment Funds" means the proceeds from the special assessments to be hereafter levied, if any, by the LGA to pay all or a portion of the cost of the Project Facilities.

ARTICLE II - PERFORMANCE OF PLANNING ACTIVITIES AND RECORD KEEPING AND PAYMENTS RELATING THERETO

Section 2.1. Subject to the terms and conditions of this Agreement, the LGA shall perform or cause to be performed the planning activities set forth in Exhibit A attached hereto and made a part hereof, including the employment of the Consulting Engineer pursuant to its proposal.

Section 2.2. The LGA shall keep accurate records of the Eligible Project Costs. All requests submitted by the LGA for the payment or reimbursement of incurred Eligible Project Costs shall include evidence of the costs incurred and will be prepared so that such costs may be readily itemized and identified as to grant eligible costs and non-grant eligible costs. The LGA shall permit the OWDA, acting by and through the Executive Director of the OWDA or his authorized representatives, to inspect all books, documents, papers and records relating thereto at any and all reasonable times for the purpose of audit and examination, and the LGA shall submit to the OWDA such documents and information as they may require in connection therewith.

Section 2.3. Subject to the terms and conditions of this Agreement, the Eligible Project Costs shall be paid by the OWDA.

Section 2.4. The OWDA shall deliver to the LGA a certificate, certifying that moneys in the amount necessary to pay the Eligible Project Costs obligated or to be obligated up to the Maximum Original Loan Amount are available or are in the process of collection and have been encumbered by the OWDA. When such Eligible Project Costs have been incurred and payment requested from the OWDA by the LGA in form and detail satisfactory to the OWDA, the OWDA shall cause to be delivered checks in payment of the invoices, demands for payment, approved contractors' estimates or other evidence of cost incurrence to the persons or entities

entitled to payment in conformity with the encumbrance of funds to pay such obligated Eligible Project Costs.

Section 2.5. The LGA shall promptly notify the OWDA in writing when the planning activities for the Project Facilities have been completed and when no further Eligible Project Costs are to be paid with OWDA disbursements under this Agreement.

Section 2.6. Notwithstanding anything contained herein to the contrary, the obligation of the OWDA to pay Eligible Project Costs pursuant to the terms and conditions of this Agreement shall expire two (2) years from the date hereof. Upon the expiration of the aforesaid period of years, the OWDA shall not be obligated to pay any additional Eligible Project Costs to the LGA hereunder. In the event that the OWDA, in its sole discretion, decides to pay additional Eligible Project Costs after the expiration of its obligation to do so hereunder, it shall so notify the LGA. No such decision by the OWDA to pay any additional Eligible Project Costs hereunder shall be deemed to constitute an extension of its obligation to pay Eligible Project Costs hereunder.

ARTICLE III - PAYMENTS BY LGA

Section 3.1. Subject to the further provisions hereinafter set forth, the LGA agrees to pay, and shall pay, to the OWDA on each Payment Date the Semiannual Payment Obligation, but solely from the Pledged Revenues. In the event that the LGA pays less than the full amount due hereunder on any date, then the amount so paid shall be applied first to interest payable hereunder, then to late charges payable hereunder, and then to the Original Loan Amount payable hereunder.

The obligation of the LGA to pay the charges set forth shall not be assignable, and the LGA shall not be discharged therefrom, without the prior written consent of the OWDA. In the event that the LGA defaults in the payment of any of the charges set forth in this Section 3.1, the amount of such default shall bear interest at the Default Rate from the date of the default until the date of the payment thereof. Interest at the Default Rate shall be calculated for the actual number of days of default from the due date until payment on the basis of a 360-day year. If the LGA does not pay any of the charges set forth in this Section 3.1 on or before the 30th day after the due date, in addition to the interest calculated at the Default Rate, a "late charge" of one percent (1%) on the amount of each default shall also be paid to the OWDA by the LGA for failure to make the payment as provided herein. Thereafter, for each additional 30 days during which the charges remain unpaid, the LGA shall continue to pay an additional late charge of one percent (1%) on the amount of such default until such charges are paid. Late charges shall apply to defaulted Semiannual Payment Obligations, interest and defaulted interest, and prior late charges. In no event shall the OWDA collect interest or late charges in excess of the maximum amount permitted by law. In addition to the foregoing, in the event of a default as aforesaid, all of the costs incurred by the OWDA in curing such default, including, but not limited to, court costs and attorney fees, shall be paid as part of the Eligible Project Costs hereunder and shall be repaid by the LGA to the OWDA as part of the Original Loan Amount.

Anything in this Agreement to the contrary notwithstanding, neither the general resources of the LGA shall be required to be used, nor shall the general credit of the LGA be

pledged for the performance of any duty under this Agreement, but any payment to be made under this Agreement shall be required to be made only from the Pledged Revenues, which are hereby pledged to such payment; provided, however, that, if otherwise lawful, nothing herein shall be deemed to prohibit the LGA from using, of its own volition, any of its general resources for the fulfillment of any of the terms and conditions of this Agreement.

The LGA may at any time and from time to time pay all or any portion of the Original Loan Amount prior to the time such payment is due hereunder, and may do so from the proceeds of long-term financing for the Project Facilities (whether obtained through the OWDA or by other means) or from any other legally available funds. Upon the receipt of any prepayment of all or any portion of the Original Loan Amount, the OWDA shall credit such payment in the same manner that it would credit the payment of a portion of the Original Loan Amount made through the payment of a Semiannual Payment Obligation.

Section 3.2. The LGA hereby agrees that: (a) it will at all times prescribe and charge such rates for the services of the System as shall result in Pledged Revenues, at least adequate to provide for the payments required by Section 3.1 hereof; (b) the LGA will furnish to the OWDA annually reports of the operation and income of the System and also an annual report of the accounts and operations of the System and will permit the authorized agent of the OWDA to inspect all records, accounts and data of the System at all reasonable times; (c) the LGA will segregate the revenues, funds and properties of the System from all other funds and properties of the LGA; and (d) if and to the extent that the Approved Application indicates that any of the payments to be made by the LGA hereunder are to be made from revenues derived from special assessments, the LGA will take all actions required to be taken under all applicable laws of the State and all applicable charter, ordinance or resolution provisions of the LGA to collect such special assessments to the full extent required to pay all amounts payable to the OWDA hereunder in full when due. All of the obligations under this Section are hereby established as duties specifically enjoined by law and resulting from an office, trust or station upon the LGA within the meaning of R.C. Section 2731.01.

Section 3.3. If, prior to the tenth Payment Date, the LGA submits a written request, duly authorized by its legislative authority, to the OWDA, stating that the LGA does not expect to obtain long-term financing for the Project Facilities prior to the tenth Payment Date, and requesting that the Contract Period of Years be extended to permit the LGA to amortize the Original Loan Amount over a longer period, then OWDA may (but shall be under no obligation to) agree to extend the Contract Period of Years, provided that: (i) on each Payment Date thereafter during the extended Contract Period of Years, the LGA shall be obligated to pay no less than one-fortieth (1/40) of the Original Loan Amount plus all accrued interest on the outstanding balance of the Original Loan Amount at the Contract Interest Rate; (ii) in any event, the latest date by which the Original Loan Amount shall be required to be fully repaid with all accrued interest thereon shall be no later than the fortieth (40th) Payment Date; (iii) the OWDA shall not approve any such request unless it determines that the LGA has demonstrated to the OWDA's satisfaction that the LGA's Pledged Revenues are and can reasonably be expected to remain sufficient to meet the LGA's payment obligations during the proposed extension of the Contract Period of Years; and (iv) upon any failure of the LGA to make a full and timely payment of its payment obligations during the proposed extension of the Contract Period of Years, then the full amount of the outstanding balance of the Original Loan Amount and all interest accrued thereon at the Contract Interest Rate shall become immediately due and payable, with interest thereon accruing thereafter at the

Default Rate. If the OWDA agrees to such an extension of the Contract Period of Years, it shall prepare a revised Term Sheet that supersedes the initial Term Sheet, setting forth the length of the extended Contract Period of Years and the Semiannual Payment Obligations of the LGA during that period.

ARTICLE IV - - REPRESENTATIONS AND AGREEMENTS OF THE LGA
IN REGARD TO ENVIRONMENTAL MATTERS; EVENTS OF
DEFAULT AND REMEDIES THEREFOR; INDEMNIFICATION

Section 4.1. The LGA hereby represents that:

(a) It is, and the LGA hereby covenants that it shall remain, in compliance with all applicable federal, state and local environmental laws and regulations during the Contract Period of Years;

(b) There is no litigation or administrative action or proceeding pending or, to the best of its knowledge, threatened against the LGA, alleging a violation of any federal, state or local environmental law or regulation applicable to the System except as set forth in the attached;

(c) No judgment or consent order has been rendered against it nor is it a party to any agreement, which consent order, judgment or agreement imposes, will impose or has imposed any fines or monetary penalties for the violation of any federal, state or local environmental law or regulation applicable to the System that have not been paid in full except as set forth in the attached; and

(d) If and to the extent that the Approved Application indicates that any of the payments to be made by the LGA hereunder are to be made from revenues derived from special assessments, the LGA has taken all actions required to be taken under all applicable laws of the State and all applicable charter, ordinance or resolution provisions of the LGA in order for such assessments to be levied at the times and in the amounts necessary to enable the LGA to pay all amounts payable to the OWDA hereunder in full when due, and has provided to the Authority a certified copy of all ordinances or resolutions authorizing the levy of such special assessments, all of which are in full force and effect.

Section 4.2. The LGA agrees that each of the following shall be an event of default (“Event of Default”) under this Agreement:

(a) The LGA shall fail to make any payment to the OWDA required pursuant to this Agreement when the same is due and payable, including, without limitation, any amount due and payable pursuant to Article III hereof.

(b) The LGA shall fail to observe and perform any obligations, agreements or provisions herein, which failure shall continue for thirty (30) days after receipt of written notice thereof from the OWDA.

(c) Any representations made by the LGA in Section 4.1. shall at any time during the Contract Period of Years prove to be false.

Section 4.3. Whenever an Event of Default shall have happened and be subsisting, the OWDA may exercise any and all rights and remedies for the enforcement of the obligations of the LGA hereunder. In addition to any other rights or remedies provided herein, by law or otherwise, the OWDA may, to the extent permitted under any judgment, consent order or agreement affecting the LGA, require the LGA to agree to subordinate the payment of any fines or penalties imposed for the violation of any federal, state or local environmental law or regulation applicable to the System to the payment of the Project Participation Principal Amount and the interest and any late charges due thereon, and the LGA hereby agrees to use its best efforts to effect such subordination.

Section 4.4. No right or remedy conferred upon the OWDA under Section 4.3 hereof is intended to be exclusive of any other right or remedy given herein, by law or otherwise. Each right or remedy shall be cumulative and shall be in addition to every other remedy given herein, by law or otherwise.

Section 4.5. The LGA releases the OWDA from, agrees that the OWDA shall not be liable for, and agrees, to the fullest extent permitted by law, to hold the OWDA, its officers, employees and agents harmless against, any loss or damage to property, or any loss or injury to or death of any person, or any other loss or damage, that may be occasioned by any cause whatsoever pertaining to the System, the Project, or the use thereof; provided that such indemnity under this Section shall not be effective for damages that result from negligent or intentional acts of the OWDA, its officers, employees and agents. The LGA further agrees, to the fullest extent permitted by law, to indemnify and hold harmless the OWDA and its officers, employees and agents against and from any and all cost, liability, expenses and claims arising from any breach or default on the part of the LGA in the performance of any covenant or agreement on the part of the LGA to be performed pursuant to the terms of this Agreement, arising from the acquisition, construction, installation, or improvement of the Project or arising from any act or negligence of or failure to act by the LGA, or any of its agents, contractors, servants, employees or licensees, or arising from any accident, injury or damage whatsoever caused to any person, firm, or corporation resulting from the Project or the System (other than any accident, injury, or damage that results from negligent or intentional acts of the OWDA, its officers, employees and agents), and from and against all cost, liability and expenses incurred in or in connection with any such claim or action, arbitration or proceeding brought thereon.

In case any action or proceeding be brought against the OWDA by reason of any claim described in this Section, the OWDA agrees to cause written notice of such action or proceeding to be given to the LGA, and the LGA upon notice from the OWDA covenants to resist or defend such action or proceedings at the LGA's expense including all legal and other expenses (including reasonable attorneys' fees).

Each party agrees that the venue of any suit, action or proceedings relating to this Agreement will be the courts of the County of Franklin, Ohio or the Ohio Supreme Court, and each party irrevocably waives any objection that it may have to that venue and waives any right to trial by jury for any such suit, action or proceedings.

ARTICLE V - MISCELLANEOUS PROVISIONS

Section 5.1. Any invoice, accounting, demand, or other communication under this Agreement by either party to the other shall be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prep aid, return receipt requested, or delivered personally, and

(i) in the case of the OWDA, is addressed to or delivered personally to the OWDA at:

The Ohio Water Development Authority
480 South High Street
Columbus, OH 43215

and

(ii) in the case of the LGA, is addressed to or delivered personally to the LGA at the address specified on the Term Sheet as the "LGA Notice Address," or at such other addresses with respect to either such party as that party may from time to time, designate in writing and forward to the other as provided in this Section.

Section 5.2. Any approval of the OWDA required by this Agreement shall not be unreasonably withheld and shall be deemed to have been given on the thirtieth day following the submission of the matter requiring approval to the Executive Director of the OWDA unless disapproved in writing prior to such thirtieth day. Any provision of the Agreement requiring the approval of the OWDA or the satisfaction or evidence of satisfaction of the OWDA, shall be interpreted as requiring action by the Executive Director of the OWDA granting, authorizing or expressing such approval or satisfaction, as the case may be, unless such provision expressly provides otherwise.

Section 5.3. Upon request of the OWDA, the LGA agrees to execute the information report required by Section 149 of the Internal Revenue Code of 1986, as it may be amended from time to time, with respect to this Agreement, such form to be completed by the OWDA on the basis of information provided by the LGA. The LGA hereby agrees that the OWDA may file such information report for and on behalf of the LGA with the Internal Revenue Service.

Section 5.4. This Agreement is made subject to, and conditional upon, the approval of this Agreement as to form by the General Counsel of the OWDA and upon the certification of availability of funds as provided in Section 2.4 hereof.

Section 5.5. This Agreement shall become effective as of the date first set forth hereinabove and shall continue in full force and effect until the final day of the Contract Period of Years, or until the day the obligations of the LGA under Section 4.1 hereof have been fully satisfied, whichever day is later.

Section 5.6. This Agreement shall be binding upon and inure to the benefit of the parties hereto and to any person, office, board, department, agency, municipal corporation, or body politic and corporate succeeding by operation of law to the powers and duties of either of the parties hereto. This Agreement shall not be assigned by the LGA without the prior written consent of the OWDA. The OWDA, at its option, may assign this Agreement without the consent of the LGA. All references to the Environmental Protection Agency of the United States of America or to the Environmental Protection Agency of the State of Ohio or to any offices or divisions of either shall include any successors thereto.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective duly authorized officers as of the day and year first hereinabove written.

APPROVED AS TO FORM

OHIO WATER DEVELOPMENT
AUTHORITY

OWDA General Counsel

by _____
OWDA Executive Director

APPROVED AS TO FORM

LGA: _____

by _____

TERM SHEET

NOTE: The term sheet will be generated by OWDA after the loan is approved at the board meeting.

Exhibit A

DESCRIPTION OF PLANNING ACTIVITIES TO BE PERFORMED BY LGA