

PUBLIC SERVICE CONTRACT

ON PROVISION OF WATER SUPPLY AND SEWERAGE SERVICES

entered into by

THE MUNICIPALITY OF CHISINAU

and

APA CANAL CHISINAU

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Preamble

Background to the Agreement

1. Within Moldova, local councils are responsible for the provision of water and sewerage services (Law 1402 - Art.14). The Chisinau Municipal Corporation is the coordination entity for those services within the Chisinau municipal territory (Law 431 – Art.22a).
2. S.A. Apa Canal Chisinau (ACC) was founded in 1997 by the Chisinau Municipal Corporation as a specialist company for providing water and sewerage services. The Company is fully owned by the Municipality.
3. In accord with the desire of both ACC and the Municipality to provide an efficient and professional water and wastewater service to the peoples in the Municipality administrative area, ACC and the Municipality wish to enter into a Service Agreement for the water and wastewater services provided by ACC in the Municipality of Chisinau.
4. This Agreement is intended to foster improvement and further development of the water and wastewater service, within the Municipality.
5. The contracting Parties intend that this Agreement shall contribute to the water and wastewater service in Chisinau Municipality by ensuring a “best-of-class” service delivery. In so doing, improve the overall quality of life of the people of Chisinau, whilst promoting environmental protection, energy savings and the economic development and well-being of Chisinau. Further, the Agreement is designed to enhance service delivery and financial performance, and ensure value for money for the customers of ACC.
6. Specifically, the purpose of this Agreement is to formalise a delegation agreement from the Municipality and other local councils to ACC, and to specify:
 - a) The respective responsibilities for the provision of water and wastewater services in the Municipality of Chisinau administrative area;
 - b) The rights and obligations of the Municipality and ACC;
 - c) The method for establishing the tariff of the services, and
 - d) The customer rights and duties.
7. By this Agreement, the Municipality delegates to the Board of Apa Canal Chisinau the authority to appoint the General Director and Directors of Apa Canal Chisinau.
8. The Mayor and the General Director sign this Agreement as the persons with the authority so delegated to them by the Municipal Council and by the Board of the Apa Canal. The Municipality of Chisinau, as defined in the Law on the Statute of the Chisinau Municipality, includes the communes and villages within the Municipality territorial boundary. The Agreement requires that the local councils of towns and communes within the Chisinau Municipality authorise the Chisinau General Mayor to sign this Agreement with S.A. Apa Canal Chisinau, on their behalf.

Parties to the Agreement

9. The Chisinau Municipality, Republic of Moldova (hereinafter referred to as the “Municipality”) represented by the General Mayor of Chisinau Municipality, [.....], acting based on the decision of the Municipal Council of Chisinau Municipality, No [.....] dated [.....]

and

S.A. Apa Canal Chisinau (hereinafter referred to as “the Company”), a Joint-Stock Company established by the Chisinau Municipal Council in accordance with the Law on Joint-stock Companies, represented by its General Director, Mr. Constantin Becciev,

The Municipality and the Company may sometimes be referred to individually as “the Party” and collectively as “the Parties” in the present Agreement.

The Parties have entered on this day of [xx/xx2012], into the following:

I. General Provisions

Article 1: Scope

10. This Agreement shall, as of the date of effectiveness, become the only legally valid instrument governing the provision of public water and wastewater services in Chisinau Municipality entered into by the Municipality and Company.
11. This Agreement is established within the framework of the laws and Government resolutions of the Republic of Moldova, other applicable legal acts and of the decisions of the Council of the Municipality.
12. The water sector objectives of the Municipality are (i) to improve the quality of life of its citizens; (ii) to reduce the health risks that are inherent with inadequate water and wastewater service provision, (iii) to ensure the environmental health of the city area, and (iv) to prevent excessive exploitation of natural resources.
13. The Municipality has concluded this Agreement on the provision of the Services as the entity responsible for water and wastewater services as referred to in the Law 1402 - Art.14 and, having such responsibility, in order to meet its above stated objectives.
14. The objectives of the Company are to provide a best-of-class water and wastewater service to its customers at a level of service commensurate with the water charges tariff that customers are willing to pay.
15. The Company has concluded this Agreement in order to be able to demonstrate to its customers the Company’s performance in meeting its objectives through the indicators stated or implied in this Agreement.
16. The water and wastewater treatment plants, pumping stations, water storage tanks and the water and wastewater network as set out in the Facilities Schedule, as well as any other Public Interest

assets used by the Company for the benefit of providing the Service and any new Public Interest assets procured during the life of this Agreement (the "Assets"), are provided to the Company by the Municipality for the purpose of providing the Services.

17. By this Agreement, the Municipality and the other councils assign to the Company the sole right to the economic management of the Assets. The Assets are to be depreciated in the Company's accounts.
18. The "Services" shall comprise the proper and efficient operation and management of the Assets in order to ensure the continued and sustained delivery of a water and wastewater service to the people in the Municipality, together with associated financial, administrative, legal and managerial functions.
19. Any non fixed plant, tools, equipment and vehicles necessary for the delivery of the Services are to be procured by the Company and shall be the property of the Company to be used, maintained, disposed of and replaced as the Company desires.
20. As much as it is able under Moldovan Law, the Municipality grants to the Company the right to be the sole public water and wastewater service provider within the administrative area of the Municipality, and to be the sole user for economic management of the Assets.

Article 2: Activities of the Company

21. The Company shall provide the Services in its own name and for its own account in accordance with the provisions of this Agreement and applicable legislation. The Company shall retain all rights and commitments arising from the laws and regulations of the Republic of Moldova.
22. The Company shall:
 - a) Perform the Services;
 - b) Perform the Services in accordance with the Performance Standards set out in the Performance Standards Appendix, and
 - c) Perform the Services within the Service Area, as defined within the Service Area Appendix and as they relate to the Facilities set out in the Facilities Schedule.
23. The Company shall not sub-contract any part of the Company's core activities without the formal approval of the Municipality. Core activities are considered to be the direct activities for the provision of the Services; that is the operation of the Assets. The maintenance of the Assets is not considered as a core activity. In the event of any dispute over the definition of a core activity, the opinion of the Municipality shall take precedence.
24. The Company shall perform the Services, in accordance with this Agreement and all applicable Moldovan Laws. The Company shall ensure that its employees and any contractors whom it employs shall be made fully aware of the requirements of this Agreement and shall abide by the requirements of the Agreement.
25. The Company shall prepare and submit to the Municipality for approval annually a Business Plan incorporating (i) financial, administrative and management reports for the preceding year, (ii) an Operating Plan and an annual operating budget for the coming year and (iii) a water and wastewater services tariff determination for the coming year.

26. The first Business Plan submitted after the signing of this Agreement shall contain a 25yr Water Sector Master Plan and Capital Investment Plan. Every fifth year thereafter, i.e. the next being the sixth year, the Business Plan shall include for a revision of the Water Sector Master Plan and the Capital Investment Plan, with the addition of a further 5 years i.e. the Plans at the time of revision shall be for the next 25yrs. The Business Plan in the intermediate years shall report on progress with the approved Capital Investment Plan and on any significant changes from the Master Plan and Capital Investment Plan that are such as to require the approval of the Municipality.
27. The Company, his employees and sub-contractors, shall not disclose any proprietary or confidential information relating to the Services, this Agreement or the business of the Municipality before, during or after the period of the Agreement, without the prior written consent of the Municipality.
28. The Company shall ensure free and unrestricted access to the Facilities at all times to any employee or other person on the business of the Municipality, with prior notification by the Municipality.
29. Subject to written notification to the Municipality by the Company, the Municipality shall make no unreasonable objection to the Company:
 - a) Providing a water and wastewater service to customers outside of the Municipality administrative area, and
 - b) Performing any other commercial business associated as may be provided by the Company Statutes.
30. The Business Plan shall clearly differentiate between the provision of the Services and other activities conducted by the Company.

Article 3: Municipality's Activities

31. The Municipality's activities are:
 - a) To provide to the Company municipal assets with the right of economic management;
 - b) The development of strategic objectives for the water and wastewater service within the Municipality;
 - c) Providing strategic directions to the Company, and
 - d) Coordination with towns and communes in the Municipality area in all aspects of the services development strategy, investments and tariffs.
32. The Municipality is responsible for the overall planning, development and extension of the water and wastewater service and related infrastructure, but delegates the same to the Company. The Company shall:
 - a) Plan and develop the existing water and wastewater treatment works, water and wastewater networks and other facilities to provide for (i) expansion into the development areas of the Municipality, (ii) into currently un-serviced areas of the Municipality and (iii) for any increase in consumption of existing customers;
 - b) Plan for the rehabilitation and replacement the Assets in order to ensure the continued and sustained availability of the Assets, and

- c) Provide the development and rehabilitation plans to the Municipality within the Water Sector Master Plan, contained within the Business Plan.
- 33. In accordance with Article 50 of the Law on the Statute of the Chisinau Municipality, the Municipality shall guarantee some autonomy to the municipal public services, and shall not interfere with the daily management of the Company.
- 34. The Municipality shall approve the Business Plan prepared by the Company, and any other reports of the Company or promptly and fully provide reasons for not approving.
- 35. The Municipality shall provide the Company with unimpeded access to all land and premises in the Service Area to which the Company will require access for the performance of the Services and in respect of which the Municipality has a right to grant access.

Article 4: Financial Responsibilities

- 36. The Company shall keep and publish accurate and systematic accounts in respect of the Services in accordance with Moldovan accounting principles.
- 37. The Municipality may, in its sole discretion, audit the Company's own accounts, financial information, financial statements and technical information at any reasonable time and with 24 hours notice to the Company. The cost of such audit shall be borne by the Municipality.
- 38. The Company shall take appropriate actions to raise charges and collect income due to it from customers for the provision of the water and wastewater service, including for the provision, maintenance, testing and replacement of water meters installed to record, for the purpose of raising charges, the volume of water drawn by customers, or for the estimating of charges where no meter is provided or where a meter is known to be defective in its reading. For this purpose, the Company shall keep and maintain at all times a customer database for each category of customers, including historical information on billing, payments and debts. The Company shall not be responsible for any internal meters used to apportion the Company's charges between internal residences in a block, or similar. Nor shall the Company be responsible for any apportionment made of the charges between residences.
- 39.
- 40. The Municipality shall be responsible for any apportionment of charges and shall promptly pay all water charges raised against properties for which it is responsible to pay the relevant water service charges. Should the Municipality be in default of any payment for charges, the Company shall be free to take any action against the Municipality, as it would for any other defaulting customer.
- 41. The Municipality shall support the Company to identify and secure the sources of funds required for the development, the rehabilitation and the replacement of the Assets, as provided for in the approved Business Plan.
- 42. Nevertheless, where the tariff is insufficient to enable the Company to fund any required investments or the Company is itself unable to raise funds from another source, it shall be the ultimate responsibility of the Municipality to fund the procurement of new and replacement assets

as set out by the Company in the Master Plan, and as agreed by the Municipality in the approved Business Plan.

43. The Company shall operate and maintain at its own expense and with due care the Assets, and shall provide all technical, financial, legal, administrative and managerial support required for the performance of the Services, also at its own expense.
44. For which purpose, the Municipality shall approve requests of the Company for any modification to the water and wastewater service tariff and as set out in the Business Plan, provided that the Company has prepared the proposals for tariff changes in accordance with Decision 164/2004 of the National Agency for Energy Regulation on the "*Methodology of establishment, approval and application of tariffs for water supply, sewerage and wastewater treatment services*".
45. The Company shall prepare and submit within the Business Plan, an annual operating budget to a format agreed with the Municipality, and in conformity with Moldovan practice. The budget shall show the forecasted expenditure broken down into functions and heads in sufficient detail for the financial management of the Company and for financial benchmarking of the Company.

Article 5: Customer Consultation

46. The Company shall maintain and adequately staff a customer services department to respond to all customer enquiries and requests for assistance, available 24 hours a day, 7 days a week. Brief details of how to contact the department shall be included in all bills issued and at other appropriate locations.
47. For the purpose of effective provision of Services and to meet customer expectations, the Municipality and the Company shall arrange an Annual Customer Meeting.
48. The Customer Meeting shall be held after the approval by the Municipality of the Company's Business Plan and shall deal with all matters of customer interest such as: a summary of the Business Plan; the quality of the Services provided; service performance indicators; complaints received and the proposals of the Company for improved service delivery as contained within the Business Plan.
49. The Company and the Municipality shall ensure jointly that the public is made aware of the time and location of each Customer Meeting and that the Meeting is attended by appropriate representatives and specialists of the Company and Municipality, as well as representatives of other interested authorities. The Meeting shall include a "Questions and Answers" session and shall be open to the press. Minutes of the Meeting shall be kept and made public.
50. The Company shall, if requested by the Municipality, conduct a Customer Satisfaction Survey. A survey shall not be requested more than once every five years, and shall provide for a minimum sample of 2% of customers spread uniformly across the service area. The questions to be asked and the method of the survey shall be agreed between the Municipality and the Company. The survey shall be conducted by a professional survey company who shall also analyse the responses received, and report on the findings of the survey. Within one month of receiving the report, the Company shall provide a response detailing how it intends to resolve significant issues

identified by the survey. For the purposes of determining the size of the survey, a customer who receives both a water and a wastewater service shall be considered as one customer.

II. RIGHTS AND OBLIGATIONS OF THE COMPANY

Article 6: Service and the O&M of the Assets

51. From the date of effectiveness of this Agreement, the Company undertakes to provide the Services in accordance with this Agreement.
52. Within the Business Plan, the Company shall submit to the Municipality an Operations Plan that sets out the proposals of the Company to provide the Services during the following year. The Plan shall include, amongst other subjects:
 - a) An estimate of the water demand during the current year, and a forecast of the demand for the coming four years;
 - b) An estimate of the wastewater collected and treated during the current year and a forecast for the coming four years;
 - c) An operational overview of how the Services will be delivered;
 - d) Current customer service and operational performance together with reasons for failure to meet any Performance Indicators and the measures to be taken to improve performance;
 - e) An analysis of customer complaints;
 - f) Any planned changes to the current operational regimes;
 - g) A report on new assets brought into service and their effect on operational performance, and
 - h) Any other matters considered as relevant to the operation of the Services.
53. The Company shall notify the Municipality within one hour of the event being known to the Company, of any:
 - a) Major works or network failures or other events that seriously affect the service provision;
 - b) Major incidence of pollution within the source raw waters;
 - c) Gross contamination of the public water supply;
 - d) Event that causes untreated wastewater to be discharged to a natural water course;
 - e) Any legal action being taken against the Company;
 - f) Serious accident or event within which a member of the public is sufficiently injured to require hospital treatment, and
 - g) Any other incident that might in any way adversely affect the public image of the Municipality or the Company.
54. The Company shall be responsible for design, construction and coordination for obtaining approvals and permits from the local governmental authorities for any new water and wastewater service connections and for any modifications, improvements, replacement or refurbishment to the Assets as may have been agreed by the Municipality within the approved Business Plan.
55. During the period of the Agreement, the Company shall be fully responsible for the proper and efficient operation and maintenance of the Assets to the satisfaction of the Municipality and in accordance with best international practice.

56. The Company shall plan maintenance work in a planned preventative maintenance regime, and in accordance with the manufacturer's manuals. If Manuals are not available, the Company shall ensure that the maintenance work is correctly and safely performed.
57. During the course of any maintenance work which will affect the service to customers, the Company shall ensure that alternative arrangements are made so as to maintain the service or take whatever action is required to mitigate the effect upon the service provided.
58. The Company shall maintain a computerised maintenance record of the Assets which shall provide an inventory of spare parts, material and consumables used; historical data and asset performance. The maintenance record shall be used as the basis for the Asset replacement programme contained within the Business Plan.
59. The Company shall establish and maintain a stores facility with experienced and qualified staff. The Company shall ensure that the stores facility is adequately provided with the required stores and spares taking into consideration the likely usage and the period for replacement as will ensure uninterrupted maintenance works and the ability to meet all emergencies.
60. All Facilities shall be kept clean and continuously maintained in a proper and orderly manner. All grounds shall be maintained and kept tidy.

Article 7: Staff

61. The Company shall ensure that it employs adequate staff for the delivery of the Services and that the staff is suitably experienced, competent and qualified to undertake the duties assigned to them.
62. The Company shall provide adequate and suitable accommodation with furniture, telephones, services, lighting and air conditioning, and all necessary business support systems and computers, with necessary software for the effective and efficient technical, financial and managerial functions of the Company.
63. The employees of the Company and those of his sub-contractors who come into contact with the general public shall be clearly identifiable to the general public as employees of the Company, or of a contractor working on behalf of the Company. Identification shall be achieved by the wearing of appropriate uniforms and protective clothing, clearly marked, and by the markings on vehicles and other mobile plant. The employees shall carry with them identity cards stating as a minimum their name; position within the organisation of the Company and a telephone number for authentication.
64. The Company shall develop and organise a programme of on-going training and staff development. Particular attention shall be paid to Health and Safety training.

Article 8: Safety & Security

65. The Company shall:
 - a) Be considered solely responsible for the safety of its employees and the members of the general public who come into proximity of any works, temporary or permanent.

- b) Ensure that all its sites are secure against intrusion and that adequate security measures are taken to prevent unauthorised entry.
- c) Acquire and maintain valid the minimum civil liability insurance, as required under Moldovan law.
- d) Ensure that it complies at all times with local and national health and safety regulations concerning its employees and it shall ensure that its sub-contractors also comply.
- e) Be solely responsible for any damage to public or private utilities or installations that may result from any negligence or default, on his part or the part of his contractors or employees. Any such damages shall be repaired at the Company's expense.
- f) As required by Moldovan law and the Municipality, indemnify the Municipality and its officers against any action, expense, cost, claim, demand, and any other liability arising from third party claims concerning:
 - i. Death or personal injury;
 - ii. Damage to property;
 - iii. Breach of statutory duty

in connection with improper provision of Services, provided always that the Company's liability shall be reduced to the extent that the negligence, breach of duty or breach of statutory duty by officers or the breach of this Agreement by the Municipality caused or contributed to the arising of third party claims specified herein.

Article 9: Service Quality

- 66. The Company shall perform the Services in a diligent, skilful, safe, timely and workmanlike manner, according to this Agreement and good practice and all applicable health, safety and environmental laws and regulations.
- 67. The Service Indicators to be met by the Company in provision of Services are contained in the Performance Indicators Schedule. Within each Operations Plan, the Company shall set out the Performance Indicators achieved in the previous 12 months and for each of the preceding two years. Within the Operations Plan, the Company shall explain the reasons for any non-compliance with the target Indicators and shall explain the action being taken to ensure compliance and over what time scale.
- 68. The Company shall register all complaints in a specific Complaints Register.
- 69. In the event of an emergency affecting the service to customers, the Company shall take immediate action to reduce the nuisance to customers. The Company shall ensure that the public are kept fully informed of the event by appropriate means and provide an expected time by which the service will be resumed. In order to ensure that the Company can professionally and competently deal with emergencies, the Company shall:
 - a) Establish and maintain a fully resourced Incident Room;
 - b) Within 6 months of signing this Agreement, prepare and implement an Emergency Response Plan;
 - c) Hold emergency exercises at least once a year, and

- d) Hold adequate repair and replacement stocks and spare parts.

Article 10: Reporting

- 70. The Company shall prepare and deliver the following reports to the Municipality on agreeable formats, according to the following schedule:
 - a) Before January 31: the Annual Report providing all relevant information on the Company's activities and performance against Indicators and targets as agreed in the Business Plan, as well as the budget execution for the past year;
 - b) Before April 30, July 31 and October 31: the quarterly reports providing key information on the Company's activities and performance against key indicators and targets as agreed in the Business Plan as well as the monitoring of the current budget;
 - c) Before June 30: the Company's audited accounts, and
 - d) Before November 30: the budgets for the forthcoming year and the updated 5- year Business Plan.
- 71. On its own initiative or on Municipality's request, ACC shall prepare and submit specific reports to the Municipality.

III. EXECUTION OF THE AGREEMENT

Article 11: Duration

- 72. This Agreement shall become effective from [.....].
- 73. The term of this Agreement is 10 years, or as may be terminated under Article 17: Termination.

Article 12: Management of the Agreement

- 74. A Management Committee shall be formed comprising three representatives from the Municipality and three from the Company. They all shall have equal rights in the management of this Agreement. The Committee shall manage implementation of this Agreement, including: monitoring compliance with the Agreement; the Company performance in delivering the Services; dispute settling and drafting of Agreement amendments for approval by the Municipality and the Company.
- 75. The members of the Management Committee will appoint from within their membership, one person to serve as Chairman and another as Secretary of the Management Committee.
- 76. Any notice required or authorised by this Agreement to be given by either Party to the other shall be in writing and shall be delivered in the form of registered mail or personally, with confirmation of delivery.

Article 13: Control and Audit

- 77. The Municipality is entitled to specify the quality of Services to be rendered by Company and independently or with others, to monitor the standards being achieved by the Company.

78. Any audit by the Municipality of the Services provided by the Company shall be performed by a suitably experienced and qualified person agreed upon by both the Municipality and the Company. The audit shall be paid for by the Municipality.

Article 14: Agreement Amendments

79. This Agreement constitutes the entire agreement of the Municipality and the Company with regard to the provision of the Services and shall supersede any prior expressions of intent or understandings with respect to the Services.

80. In the event that aspects of this Agreement become inconsistent with local, national legislation or regulations, the Agreement shall be amended as quickly as possible.

81. Any deficiencies in this Agreement may be rectified by approval of an appropriate Agreement Amendment, signed by authorised persons of both the Municipality and of the Company.

Article 15: Force Majeure

82. For the purposes of this Contract, "Force Majeure" means an event that is beyond the reasonable control of the Municipality or the Company; and which makes the Company's performance of its obligations under the Agreement impossible or so impractical as reasonably to be considered impossible in the circumstances.

83. Force Majeure includes:

- a) War and riots;
- b) Confiscation or other similar action by government agencies;
- c) An event that is described in a certified statement from any of the Company's insurance companies stating storm, flood, earthquake or other severely adverse weather conditions that the usual types of insurance cover for businesses of this kind for which the Company previously did receive are currently not available to entities doing business in Moldova and to the Company because of conditions in Moldova.

84. Force Majeure shall not include,

- a) Any event that is caused by the negligence or intentional action of the Company;
- b) An event that a diligent water and wastewater service provider could reasonably have been expected to occur, and
- c) Strikes or similar forms of organized public protests and civil disobedience.

85. In the event of Force Majeure, the Municipality and the Company shall take all reasonable measures to minimize the consequences of the event and mutually agree the action to be taken to minimise the consequences to the customers of the Company.

86. In the event of Force Majeure, either the Municipality or the Company as may be affected by an event shall forthwith notify the other of the occurrence of such event. The Municipality and the Company shall discuss on the methods for curing the Force Majeure event and shall take all reasonable measures to minimize the damage resulting from the Force Majeure event.

87. The failure of the Municipality or the Company to fulfil any of its obligations under the Agreement shall not be considered to be a breach of the Agreement to the extent that such failure to fulfil the

obligation arises from the Force Majeure event and the timeline to fulfil the obligation shall be extended by such period as is spent for curing the Force Majeure event.

Article 16: Dispute Resolution

88. In the signing of this Agreement, both the Municipality and the Company agree to work in a spirit of cooperation to resolve issues that may arise during the operation of the Agreement for the common good of the customers of the Company and of the citizens of the Municipality.
89. In the event of any dispute, controversy or claim arising out of or relating to this Agreement, or the breach, termination or invalidity hereof, the Municipality or the Company, as may be applicable, may immediately present its position to the other in writing, together with a proposal for its settlement. The Management Committee shall consider each proposal and seek agreement to a mutually acceptable solution. Both the Municipality and the Company undertake to apply all reasonable means to settle disputes out of court.
90. If a dispute is not resolved within three months of being formally notified in writing to the Management Committee, the aggrieved may refer the dispute for settlement to the competent Moldovan judicial courts in accordance with the applicable procedural legislation of the Republic of Moldova.
91. This Agreement shall be governed by the Law of the Republic of Moldova.
92. This Agreement is executed in Moldovan and English languages. In any conflict between the Moldovan version and the English version, the English version shall prevail.

Article 17: Termination

93. This Agreement is terminated when:
- a) The duration has expired;
 - b) The Municipality and the Company agree in writing to the early termination of the Agreement.
 - c) In any other cases provided by the Moldovan Law.

Article 18: Extension of the Agreement

94. Subject to the agreement of the Municipality and of the Company, the terms of this Agreement may be extended to include for other areas outside of the Municipality administrative area or in such other way as the Municipality and the Company may decide. Alternatively, the Company may enter into a separate Agreement for other cities than the Municipality within its service area.

For the Municipality:
Mayor

For the Company
Director

Date:

Date:

Schedule of Facilities

The following comprise the Facilities to be operated and maintained within the Agreement:

A. Raw Water Intakes, Transmission Mains, Boreholes and Water Treatment Works

B. Treated Water Pumping Stations

C. Treated Water Storage

D. Wastewater Pumping Stations

E. Wastewater Treatment Works

Together with all water mains, sewers, property service connections, revenue meters and all other ancillary equipment and devices associated with the water and wastewater networks.

Schedule of Performance Indicators

Customer Service Targets to be achieved

Service	Indicator	Target
Response to a property being flooded by wastewater from the sewer network or by failure of a water main	Response to be made within 3 hours of receipt by the Company, irrespective of time of receipt	100% compliance (Actual performance achieved in each category to be reported)
Response to a customer contact concerning loss of water supply or the quality of water supplied	Response to be made within 3 hours of receipt by the Company, irrespective of time of receipt	
Response to any other customer contact	Response to be made within 3 working days of receipt by the Company	

Indicators to monitor operational performance

Indicator	Criteria	Basis of calculation
Continuity of water supply to customers	Average % time water is supplied to customers	Calibration of time adequate supply is provided over total time
Continuity of wastewater collection	Average % time service is available to customers	Calibration of time service is provided over total time
New water and wastewater service connections	Proportion of committed new connections achieved within agreed time	Calibration of the ratio Achieved: Planned new Connections
Non-revenue water	Cubic metres/km network/day	Difference between water into supply and water sold. Also to be presented in IWA format
Final effluent water quality	Compliance level against chemical and microbiological standards	Ratio: Actual compliance level achieved to planned compliance level for relevant period (% compliance against water quality standards)
Compliance with water quality standards.	Compliance level against chemical and microbiological standards	Ratio: Actual compliance level achieved to planned compliance level for relevant period (% compliance against water quality standards)
Customer complaints	Percentage of customers who have complained	Total number of water and wastewater complaints per year expressed as a percentage of the total number of water and wastewater connections

Indicators to measure asset performance

Asset Performance Event	Measure
Water main failure	Number/kilometre of network/year
Property flooding	Schedule to be maintained to show number of people affected by each of the following types of events: Manhole overflow due to inadequate sewer capacity; Sewer blockage or collapse; Pumping station failure, and Water main failure.
Sewer failure	By type of failure: blockage or collapse Number/kilometre of network/year

Asset Performance Event	Measure
Pumping Station failure such as to cause: For potable water - Interruption to water supply to customers For wastewater – (i) discharge of untreated wastewater to the natural environment (ii) Property flooding	By potable water and wastewater Number/year Asset inventory history to show location and reason
Energy efficiency (kwh / m3) Provided for water, wastewater and for the combined total.	Energy consumed / cubic meters produced/collected

Financial & Management Performance Indicators

Performance Indicator	Measure
Operating cost coverage ratio (%)	Total annual operational revenues/total annual operating costs
Collection ratio (%)	Cash income/billed revenue
Debt service ratio (%)	Cash income/debt service
Receivables (months of billing)	total receivables / average monthly billing for the last 12 months
Payables (months of billing)	total payables / average monthly billing for the last 12 months
Staff productivity ratio	Total number of staff (excluding staff employed in ACC heating business) expressed as per thousand connections
Water sold that is metered (%)	Volume of water sold that is metered/ total volume of water sold,