

CASE NO 2008-00017



**Breathitt County**  
**Water District**

Making Breathitt County

A Better Place One Drop at a Time.

RECEIVED

NOV 08 2007

PUBLIC SERVICE  
COMMISSION

November 5, 2007

Beth A. O'Donnell  
Executive Director  
Public Service Commission  
P.O. Box 615  
211 Sower Boulevard  
Frankfort, Ky 40602

**Re: Water Purchase Contract**

Dear Ms.O'Donnell,

We are submitting for your approval a contract between the Breathitt County Water District and the Kentucky Mountain Bible College. This contract was designed around recommendations from your staff. Both parties are in agreement of the terms listed within this contract, therefore we hope to have your prompt approval. If you have any questions please contact me at your convenience.

Thank you,  
Breathitt County Water District

*Paul Shannon Moore*

Paul Shannon Moore  
Superintendent

PSM:ic

Encl: Water Purchase Contract

## WATER PURCHASE CONTRACT

This contract for the sale and purchase of water is entered into as of the 6<sup>th</sup> day of Sept., 2007, between the BREATHITT COUNTY WATER DISTRICT, a Special District formed pursuant to KRS 74.101 et. seq., of 1137 Main Street, Jackson, Kentucky 41339, hereinafter referred to as the "SELLER" and KENTUCKY MOUNTAIN BIBLE COLLEGE, of P.O. BOX 10, Vancleve, Kentucky 41385, hereinafter referred to as the "PURCHASER",

### WITNESSETH:

**WHEREAS**, the Purchaser is a private entity that and religious and educational institution in Breathitt County, Kentucky, and the Purchaser will require a supply of treated water, and

**WHEREAS**, the Seller owns and operates a water supply distribution system with a capacity currently capable of serving the present needs of Purchaser, and

**WHEREAS**, by Resolution enacted on the 6<sup>th</sup> day of Sept., 2007 by the Seller, the sale of water to the Purchaser in accordance with the provisions of the said Resolution was approved, and the execution of this contract carrying out the said Resolution by the Board Chairperson, and attested by the Secretary, was duly authorized, and

**WHEREAS**, by Resolution of the Purchaser, enacted on the 6<sup>th</sup> day of Sept., 2007, the purchase of water from the Seller in accordance with the terms set forth in the said Resolution was approved, and the execution of this contract by the President, and attested by the Secretary was duly authorized;

**NOW, THEREFORE**, in consideration of the foregoing and the mutual agreements hereinafter set forth;

### A. THE SELLER AGREES:

1. To install at the Seller's cost and maintain:
  - a. one 6-inch Fire service meter and vault
  - b. approximately 350 LF of 6-inch PVC waterline; and
  - c. one 6-inch fire hydrant assembly.
  
2. To furnish the Purchaser potable treated water meeting applicable quality standards of the Kentucky Natural Resources and Environmental Protection Cabinet, Division of Water in such quantity as may be required by the Purchaser.
  
3. To bill the Purchaser at the above address not later than the 1st day of each month, for water usage during the preceding month. The due date shall be the 10<sup>th</sup> day of each month, in which the bill is sent. Payments made more than ten (10) days after the due date shall be considered "late" payment(s).

**B. THE PURCHASER AGREES:**

1. To connect their entire campus (all buildings and dwellings) to the BCWD distribution system.
2. To pay the Seller, not later than the 10th day of each month, for water delivered the preceding month in accordance with the following schedule of rates:
  - a. A minimal bill of \$99.50 for the first 10,000 gallons. Purchaser understands that this will be the minimum payment due each month no matter the number of gallons used up to 10,000.
  - b. Flat Rate of \$4.98 for each 1,000 gallons used over 10,000 and not to exceed 200,000 gallons.
  - c. All over 200,000 gallons a rate of \$3.80 per 1,000 gallons used.
  - d. There will be a 10% penalty for payments made past the due date.

**IT IS FURTHER MUTUALLY AGREED** between the Seller and the Purchaser as follows:

1. That this contract shall extend for a term of two (2) years from the date of the initial delivery of any water as shown by the first bill submitted by the Seller to the Purchaser and, thereafter may be renewed or extended for such term, or terms, as may be agreed upon by the Seller and Purchaser.

2. That 30 days prior to the estimated date of completion of construction of the Purchaser's water supply distribution system, the Purchaser will notify the Seller in writing the date for the initial acceptance of water.

3. That the Seller will, at all times, operate and maintain its system in an efficient manner and will take such action as may be necessary to furnish the Purchaser with quantities of water required by the Purchase not to exceed amounts listed herein. Temporary or partial failures to deliver water shall be remedied with all possible dispatch. In the event of an extended shortage of water, or the supply of water available to the Seller is otherwise diminished over an extended period of time, the supply of water to Purchaser's consumers shall be reduced or diminished in the same ratio or proportion as the supply to Seller's consumers is reduced or diminished.

4. That the Purchaser will at all times operate and maintain its system in an efficient manner and will take such action as may be necessary to limit outage and shortages to the maximum extent possible. This contract shall be null and void if all payments for invoices for purchased water are not received within ninety (90) days of the due date. In the event a payment is thirty or more days late, Purchaser may apply the security deposit to the debt owed and pursue all available legal remedies to collect any deficiency due.

5. The Purchaser may cure a default, prior to the contract becoming

null and void, by full payment of the outstanding balance due. If the payment to cure a default is made after the security deposit is drawn down by Seller, then the amount necessary to cure the default shall be all outstanding bills due and replenishment of the security deposit.

6. That the provisions of this contract pertaining to the schedule of rates to be paid by the Purchaser for water delivered are subject to modification at the end of every one (1) year period. Any increase or decrease in rates shall be based on a demonstrable increase or decrease in the costs of performance hereunder of the Seller's system necessary to meet future, and increase in the cost of water purchased from the City of Jackson, more stringent regulations promulgated by EPA or DOW or increased volumes of water needed by the Purchaser. Other provisions of this contract may be modified or altered by mutual agreement.

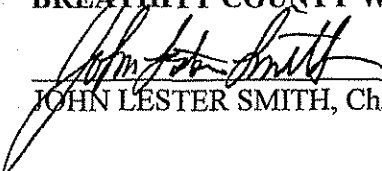
7. That this contract is subject to such rules, regulations, or laws as may be applicable to similar agreements in this State and the Seller and Purchaser will collaborate in obtaining such permits, certificates, or the like, as may be required to comply therewith.

8. That in the event of any occurrence rendering the Purchaser incapable of performing under this contract, any successor of the Purchaser, whether the result of legal process, assignment, or otherwise, shall succeed to the rights of the Purchaser hereunder.


IN WITNESS WHEREOF: the parties hereto, have duly executed this agreement this the 15 day of August, 2007.

**Seller:**

**BREATHITT COUNTY WATER DISTRICT**

  
\_\_\_\_\_  
JOHN LESTER SMITH, Chairperson

ATTEST:

  
\_\_\_\_\_  
KAY BARNETT, Secretary

**Purchaser:**

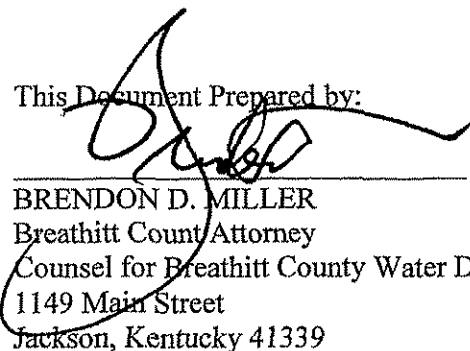
**KENTUCKY MOUNTAIN BIBLE COLLEGE**

  
\_\_\_\_\_  
PHILLIP SPEAS, President

ATTEST:

  
\_\_\_\_\_  
RUTH CUNDIFF, Secretary

This Document Prepared by:



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BRENDON D. MILLER  
Breathitt County Attorney  
Counsel for Breathitt County Water District  
1149 Main Street  
Jackson, Kentucky 41339  
(606) 666-4400



**Breathitt County**  
**Water District**

*Making Breathitt County*

*A Better Place One Drop at a Time.*

December 27, 2007

Beth A. O'Donnell  
Executive Director  
Public Service Commission  
P.O. Box 615  
211 Sower Boulevard  
Frankfort, Ky. 40602

RECEIVED

DEC 28 2007

PUBLIC SERVICE  
COMMISSION

**RE: Water Purchase Contract**

Dear Ms. O'Donnell:

I am following up to my November 5, 2007 correspondence relative to your approval of a contract between the Breathitt County Water District and the Kentucky Mountain Bible College.

Please update me about the approval of this contract or contact me as soon as possible so we may finalize the contract.

Thank you in advance for your cooperation in this matter.

Sincerely,

Paul Shannon Moore  
Superintendent

psm/tc



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**Water District**

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Paul Shannon Moore  
Superintendent

PSM:ic

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**BREATHITT COUNTY WATER DISTRICT**

  
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JOHN LESTER SMITH, Chairperson

ATTEST:

  
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KAY BARNETT, Secretary

**Purchaser:**

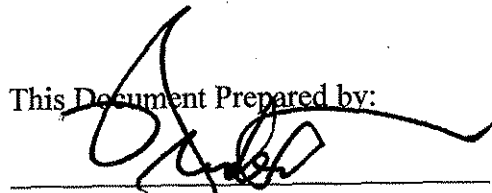
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PHILLIP SPEAS, President

ATTEST:

  
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RUTH CUNDIFF, Secretary

This Document Prepared by:



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BRENDON D. MILLER  
Breathitt Count Attorney  
Counsel for Breathitt County Water District  
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Jackson, Kentucky 41339  
(606) 666-4400