

WHOLESALE WATER PURCHASE CONTRACT

This contract for the sale and purchase of water is entered into on this 25th day of JULY, 2017, between the **CITY OF BEREA, KENTUCKY, by and through the Berea Municipal Utilities**, 212 Chestnut Street, Berea, Madison County, Kentucky, 40403, hereinafter referred to as the "SELLER" and the **SOUTHERN MADISON WATER DISTRICT**, 207 North Dogwood Drive, Berea, Madison County, Kentucky 40403, hereinafter referred to as the "PURCHASER"

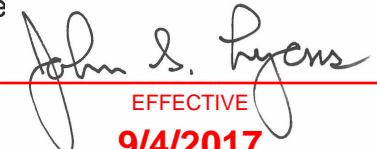
WITNESSETH:

WHEREAS, the Purchaser is a water district created pursuant to and operating under the provisions of KRS 74.010-.415, that owns and operates a water distribution system serving water users within the area described in plans now on file in the office of the Purchaser and to accomplish this purpose, the Purchaser will require a supply of treated water; and

WHEREAS, the Seller owns and operates a water treatment and distribution system with a capacity currently capable of serving the present customers of the Seller's system and the estimated number of water users to be served by the said Purchaser as shown in the plans of the system now on file in the office of the Purchaser; and

WHEREAS, the parties have heretofore entered into Water Purchase Contracts and Renewals thereof dated May 15, 1969; July 7, 1969; June 25, 1981; and December 28, 1989; and

WHEREAS, the parties desire to enter into this Wholesale Water Purchase Contract to supersede all contracts previously existing between

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NOW, THEREFORE, in consideration of the foregoing and the mutual terms, conditions and agreements of the parties hereto that are hereinafter set forth, the parties agree as follows:

1. WATER PURCHASES, QUALITY AND QUANTITY.

Seller agrees to produce and sell and Purchaser agrees to buy at "points of delivery" hereinafter specified in Paragraph 2 during the term of this Contract or any renewal or extension thereof, potable treated water meeting applicable quality standards of the Kentucky Energy and Environment Cabinet, Department for Environmental Protection, Division of Water, such quantity as may be required by the Purchaser, not to exceed 40 million gallons per month, at the rates provided for in Paragraph 5 herein.

2. POINTS OF DELIVERY AND PRESSURE.

(A) The Water will be furnished by the Seller to the Purchaser at a reasonable constant pressure(s) and volume(s). If a greater pressure than that normally available at the points and delivery is required by the Purchaser, the cost of providing such greater pressure shall be borne by the Purchaser. Emergency failure of pressure or supply due to main supply line breaks, power failure, flood, fire, and use of water to fight fire, earthquake, or other catastrophe shall excuse the Seller from this provision for such reasonable periods of time as may be necessary to restore service.

(B) The points of delivery shall be at the following points:

Name	Nearest Address	Latitude	Longitude
Big Hill Master Meter	2045 Big Hill Rd	37.5541	84.2423
Gabbarstown Master Meter	1802 Big Hill Rd		
Hwy1016 Master Meter	951 Highway 1016		
US 25N Master Meter	611 Richmond Rd		
Stemco Master Meter	159 Glades Rd		

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The Terrace Master Meter	1043 Brooklyn Blvd	37.5937	-84.2987
Mayde Rd Master Meter	1200 Mayde Rd	37.6159	-84.3042
Mayde Spur Rd Master Meter	724 Mayde Rd	37.6076	-84.3083
Middletown Master Meter	511 Walnut Meadow Rd	37.5872	-84.2995
I-75 Master Meter	339 Paint Lick Rd	37.5685	-84.3183
Haiti Rd Master Meter	201 Haiti Rd E	37.5598	-84.3114
Liberty Ave Master Meter	101 Liberty Ave	37.5598	-84.3077
Slate Lick Master Meter	601 Slate Lick Rd	37.5628	-84.2967
Reed Hill Master Meter	817 Scaffold Cane Rd	37.5600	-84.2844
Farristown Master Meter	851 Farristown Rd	37.6149	-84.3022
Short Line Master Meter	128 Short Line Pike	37.5662	-84.2576

(C) It is understood and agreed by the parties hereto that in the event the Purchaser should desire additional purchase points, and if additional pump stations, transmission lines and/or upgrade of existing lines is necessary to provide the additional purchase point(s) which are solely for the Purchaser's benefit, then the Purchaser shall pay the entire costs of the additional lines and equipment.

(D) That all extension of waterlines or upgrades of existing waterlines which shall thereafter become the obligation of Purchaser to maintain, shall be done pursuant to the building specifications currently adopted by the Purchaser or hereafter adopted, and in conformance with regulations and construction standards mandated by the Kentucky Energy and Environment Cabinet, Department for Environmental Protection, Division of Water, regardless of which party ~~may herein be required to pay or~~ reimburse the cost thereof.

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3. METERING EQUIPMENT.

Purchaser shall furnish, install, operate, and maintain at its own expense at the points of delivery, the necessary metering equipment, including a meter house or pit and required devices of standard type for properly measuring the quantity of water delivered to the Purchaser. The Purchaser shall be responsible for testing the metering equipment at least as often as required by the Kentucky Public Service Commission regulations, which are set forth in 807 KAR 5:066, Section 16 (e.g. 2-inch meter to be tested every 4 years). In addition, the Purchaser shall test and calibrate such metering equipment whenever requested by the Seller, but not more frequently than once every 12 months. A meter registering not more than 2 percent above or below the test results shall be deemed accurate. The previous reading of any meter disclosed by test to be inaccurate shall be corrected for the 12 months previous to such test and in accordance with the percentage of inaccuracy found by such tests. If a meter fails to register for any period, the amount of water furnished during such period shall be deemed to be the amount of water delivered in the corresponding period immediately prior to the failure unless Seller and Purchaser shall agree upon a different amount. The metering equipment shall be read on the first day of each month by the Seller.

4. BILLING PROCEDURES.

The Seller shall furnish to the Purchaser at the above address no later than the third day of each month an itemized statement of the amount of water furnished the Purchaser during the preceding month.

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5. RATES.

Purchaser agrees to pay to Seller, no later than the 10th day of each month, for water delivered the preceding month in accordance with the Kentucky Public Service Commission approved schedule of rate, which is currently Tariff TFS2016-00514, November 3, 2016, as same may be revised or modified.

6. TERM OF CONTRACT.

This Contract shall extend for a term of fifty (50) years from the Effective Date, and thereafter may be renewed or extended for such term or terms as may be agreed upon by the Seller and Purchaser.

7. FAILURE TO DELIVER.

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 Purchaser not to exceed the maximum amount provided for hereinabove. 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 to the Purchaser for Purchaser's customers shall be reduced or diminished in the same ratio or proportion as the supply to Seller's customers is reduced or diminished. If Seller anticipates such an event, the Seller shall notify the Purchaser within twenty-four (24) hours of any decision to reduce production.

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8. REGULATORY AGENCIES.

This Contract is subject to such rules, regulations or laws as may be applicable to similar agreements in this Commonwealth and the Seller and Purchaser will corroborate to obtain such permits, certifications or the like, as may be required to comply with said rules, regulations or laws as may now be applicable or as the same may be modified, amended or adopted hereinafter.

9. PSC REVIEW AND EFFECTIVE DATE.

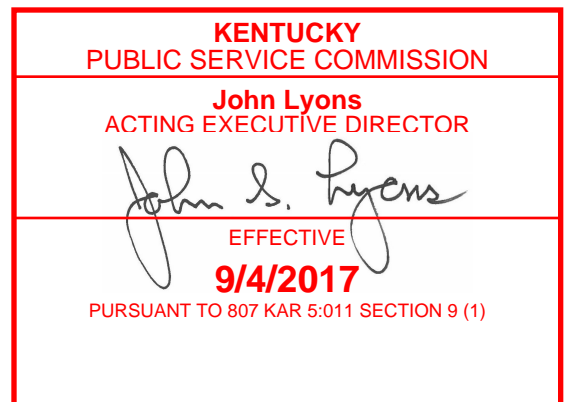
The Parties acknowledge that this Contract cannot become effective until it has been reviewed and accepted for filing by the Kentucky Public Service Commission (“PSC”). The Seller shall file an executed copy of this Contract with the PSC. The Purchaser pledges its assistance to help expedite the PSC review process. The Effective Date of this Contract shall be the date the Contract is deemed “filed” by the PSC. The Seller shall give written notice of the Effective Date to the Purchaser.

10. PRIOR CONTRACTS SUPERSEDED.

As of the Effective Date of this Contract, the existing Water Purchase Contracts and Renewals thereof dated: May 15, 1969; July 7, 1969; June 25, 1981; and December 28, 1989; and any and all other amendments and modifications thereto, shall be superseded.

11. SUCCESSORS TO PARTIES.

This Contract shall be binding on each Party’s representatives, successors, and assigns.



12. PURCHASER'S AGREEMENT TO INDEMNIFY AND HOLD HARMLESS.

Purchaser hereby agrees to indemnify and hold Seller, its agents, employees, successors and assigns, harmless from and against any and all claims, suits, actions, debts, damages, costs, charges and expenses, including court costs and attorney fees, and against all liability, losses, and damages of any nature whatever, by reason of any of the activities of the Purchaser or its employees in connection with the use of water or facilities of Seller, and further agrees and covenants that Seller shall not be liable to Purchaser for any failure of service or pressure resulting from occurrences beyond the control of the Seller.

13. SELLER'S AGREEMENT TO INDEMNIFY AND HOLD HARMLESS.

Seller hereby agrees to indemnify and hold Purchaser, its agents, employees, successors and assigns, harmless from and against any and all claims, suits, actions, debts, damages, costs, charges and expenses, including court costs and attorney fees, and against all liability, losses, and damages of any nature whatever, as a result of any negligence or willful misconduct by the Seller, its employees, contractors, and agents, arising from Seller's provision of wholesale water service to the Purchaser.

14. MISCELLANEOUS. (a) Purchaser shall cooperate with and support Seller in its efforts to increase or maintain its water supply and its pursuit of the federal, state, and local permits required to do the same. (b) Purchaser shall cooperate with and support Seller in any efforts to implement water conservation regulations, ordinances, and plans within Madison County consistent with the plans and measures in effect on the date of this agreement or in the future. If such measures:

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County, Purchaser agrees to use reasonable efforts to support and enforce, to the extent permitted by law, the same. (c) Purchaser shall adopt a Water Shortage Response Plan, if it has not done so already, that is consistent with the provisions in the Seller's Water Shortage Response Plan as amended or as incorporated in a Water Conservation and Drought Contingency Plan. During events which trigger curtailment of consumption, retail customers of the Seller and retail customers of Purchaser shall be treated alike, and Purchaser shall cooperate fully in taking the same character of enforcement action as the Seller.

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