

Rec'd from
Wm Schmidt
12/1/69

This AGREEMENT made and entered into this the 29 day of May, 1969 by and between the City of Danville, Kentucky, a Municipal Corporation of the Third Class in Boyle County, Kentucky, hereinafter referred to as the SELLER and the Lake Village Water Association, Inc., a Non-profit Corporation of Danville, Boyle County, Kentucky, hereinafter referred to as the PURCHASER.

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W I T N E S S E T H:

PUBLIC SERVICE COMMISSION

WHEREAS, the Purchaser has organized and established under the provisions of Kentucky Revised Statutes, Chapter 273, for the purpose of constructing and operating a water supply 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 supply distribution system with the capacity capable of serving the present customers of the Sellers 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, by Resolution enacted on the 13 day of MAY, 1969, by the Common Council of the City of Danville, Kentucky, the sale of water to the Purchaser in accordance with the provisions of said Resolution was approved, and the execution of this contract carrying out the provisions of said Resolution, by the Mayor and attested by the Clerk was duly authorized, and,

WHEREAS, by Resolution of the Board of Directors of the Lake Village Water Association, Inc., enacted on the 29 day of May, 1969, the Purchaser of water from the Seller in accordance with the terms set forth in said Resolution was approved and the execution of this contract by the President and attested by the Secretary was duly authorized:

PUBLIC SERVICE COMMISSION
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PURSUANT TO 807 KAR 5011,

BY: [Signature]
FOR THE PUBLIC SERVICE COMMISSION

NOW THEREFORE, for and in consideration of the mutual grant, promises, covenants and agreements hereinafter set forth, the Parties agree as follows:

1. The Seller agrees to furnish the Purchaser at the point of delivery hereinafter specified during the term of this contract or any renewal or extensions thereof, all of its needs for potable treated water meeting applicable purity standards of the Kentucky Department of Health and Purchaser shall purchase from the Seller all of its needs for filtered water suitable for human consumption in such quantity as may be required by the Purchaser not to exceed however two million gallons per month.

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2. The water to be sold hereunder will be furnished at a reasonably constant pressure calculated at sixty psi from an existing twelve inch main supply at a point located at the entrance to Malrose Farm on U. S. Highway 27, and a twelve inch main supply at a point on Kentucky Highway 33, near the Danville city limits. If a greater pressure than that normally available at the point of delivery is required by the Purchaser, the cost of providing such greater pressure shall be borne by the Purchaser. Emergency failures of pressure or supply due to the main supply line breaks, power failures, flood, fire and use of water to fight fire, earthquake or other catastrophe shall excuse the Seller from this provision for such reasonable period of time as may be necessary to restore service.

PURSUANT TO KY STATUTE,
SECTION 9 (1)
PUBLIC SERVICE COMMISSION

3. The water purchased and sold under this agreement shall be delivered by Purchaser at the points designated in Paragraph 2, and there shall be run through meters to measure the quantity of water delivered to the Purchaser. The Purchaser shall receive the water into its control at this point, the acquisition, installation, and maintenance of such meters shall be paid for by the Purchaser, but the type, style and adequacy of the meters shall be subject to Seller's approval. The meters shall be calibrated or tested for accuracy annually, or on request of either party. A meter registering

not more than two percent above or below the test results shall be deemed to be accurate. The previous readings of any meter disclosed by test to be inaccurate shall be corrected for the three months previous to such tests in accordance with the percentage of inaccuracy found by such tests. If any meter fails to register for any period, 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 a regular basis, not less than once every two months. An appropriate official of the Purchaser at all reasonable times shall have access to the meter for the purpose of verifying its readings.

4. The Seller shall furnish the Purchaser at the above address with an itemized statement of the amount of water furnished the Purchaser during the preceding period for which the meter was read, which billing procedure shall follow not more than fifteen (15) days the date of such reading.

5. The Purchaser agrees to pay to the Seller monthly upon receiving a bill therefore for water delivered, in accordance with the following schedule of rates, plus applicable state sales and use taxes:

First 150,000 gallons at forty-eight (48) cents per thousand gallons, (minimum bill sixty-two dollars (\$62.00).

Next 600,000 gallons at thirty-two (32) cents per thousand gallons.

Next 750,000 gallons at twenty-five and six tenths (25.6) cents per thousand gallons.

Next 3,750,000 gallons at twenty-two and four tenths (22.4) cents per thousand gallons.

All over 7,500,000 gallons at sixteen (16) cents per thousand gallons.

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PURSUANT TO 807 KAR 5011,
SECTION 6(1)

BY: *[Signature]*

6. The Purchaser will pay as an agreed cost a connection fee to connect the Sellers system with the system of the Purchaser, the sum of Twenty Thousand Dollars (\$20,000.00), which shall cover any and all costs of the Seller as a result of the two service connections provided for herein.

7. This contract shall extend for a term of thirty (30) years beginning _____, 1969. At the expiration of the thirty (30) year term of this Agreement, the Purchaser shall have the option to extend the term thereof for an additional thirty (30) years, which option will be automatically exercised by the Purchaser, unless the Purchaser shall, not less than ninety (90) days prior to the expiration of the first thirty (30) year term, serve written notice by registered mail upon the then Mayor of the Seller, of the Purchaser's intention not to exercise said option. Said option shall be upon the same terms and conditions as this contract.

8. Sixty (60) 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 delivery of water.

9. When requested by the Purchaser, the Seller will make available to the contractor at the point of delivery, or other point reasonably close thereto, water sufficient for testing, flushing and trench filling the system of the Purchaser during construction, irrespective of whether the metering equipment has been installed at that time, at a flat charge of two hundred dollars (\$200), which will be paid by the contractor, or, upon his failure to pay, by the Purchaser.

10. The Seller will at all times operate and maintain its system to the points of delivery to Purchaser 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 provided herein. Temporary or partial failures to deliver water shall be

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PURSUANT TO 807 KAR 5011,
SECTION 9 (1)

FOR THE PUBLIC SERVICE COMMISSION

commercial consumers within the City of Danville, or charged to other municipalities, independent water districts, or privately owned water companies similarly situated.

12. This contract is subject to such rules, regulations or laws as may be applicable to similar agreements in the Commonwealth of Kentucky, and the Seller and Purchaser will collaborate in obtaining such permits, certificates, or other documents as may be required to comply therewith.

13. The construction of the water distribution system of the Purchaser is being financed by a loan made or insured by, and/or a grant for the United States of America acting through the Farmers Home Administration of the United States Department of Agriculture, and the provisions hereof pertaining to the undertaking of the Purchaser are conditioned upon the approval in writing of the State Director of the Farmers Home Administration.

14. It is contemplated that the Purchaser shall resell the water purchased under this Agreement to residents and subdivisions lying North and East of the City of Danville, Kentucky, but none shall be resold to other municipalities, independent water districts or privately owned water companies. Nor will the Purchaser undertake to furnish, serve or supply water to any industrial facilities or manufacturing plant located in such area which is not in existence as of this date or to any scientific, educational, health or research facility located anywhere in Boyle County, Kentucky without the expressed consent in writing of the City of Danville and Kentucky Utilities Company, pursuant to proper resolution of their then respective governing bodies.

PUBLIC SERVICE COMMISSION
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PURSUANT TO 807 KAR 5.011,

SECTION 9(1)

BY: *[Signature]*
FOR THE

15. For a breach or threaten breach of the provisions of this Agreement, a restraining order or temporary or permanent injunction may issue, and the parties agree and intend by this Agreement to confer on each party a right of specific performance of this contract, whether or not such parties may otherwise have an adequate remedy at law.

remedied with all possible dispatch. In the event of an extended shortage of water, or if 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 other customers located outside its corporate limits is reduced or diminished. The obligation of the Seller to supply water is limited, however, by the understanding that while the Seller shall use reasonable care and diligence in the operation and maintenance of its existing system to prevent and avoid interruption or fluctuations in supply, but the Seller does not guarantee that such interruptions and fluctuations will not occur. The parties agree that the Seller shall not be liable for the curtailment of supply due to emergencies, breaks, leaks, defects, necessary repairs, fires, strikes, acts of God or other causes of unusual demand upon its system. Further, in the event of fire, storm, war, pestilence, acts of God, or other emergency, Seller's City Administrator or ^{manager} may, without liability attaching to the Seller, and without notice, reduce or temporarily discontinue such water supply. In the event, the administrator or manager of the Seller be absent from the Seller's city, or be for any reason incapacitated, his power to order reduction or cessation of supply shall vest in first the Fire Chief of Danville, and if he be absent or incapacitated in the Superintendent of Public Works of the Seller. In either event, the official determination of emergency shall permit such reduction or cessation during the pendency of the emergency without liability, but shall be rectified as quickly as possible. OCT 06 1994

11. If at any time during the term of this Agreement, ^{PURSUANT TO 007 KAR 5.011 SECTION 3 (1)} during the term of this Agreement as extended ^{BY [Signature] OF THE PUBLIC SERVICE COMMISSION} by the exercise of the option set forth above, the rates for local commercial consumption within the City of Danville, or charged to other municipalities, independent water districts or privately owned water companies are charged, either raised or lowered, the rate of charge to the Purchaser shall automatically be change to conform to the local rates for

16. In connecting with Seller's systems at the two points of delivery provided in Paragraph Two (2), Purchaser shall make its connection by tapping Seller's system at a point not less than 25 feet south of the northernmost terminus of such lines and install gate valves thereto.

IN TESTIMONY WHEREOF, the Parties hereto, acting under the authority of the respective governing bodies, have caused this contract to be duly executed in _____ counterparts, each of which shall constitute an original.

CITY OF DANVILLE, KENTUCKY

BY: _____

MAYOR

ATTEST:

Rosetta Van Hilde
CITY CLERK

(S E A L)

LAKE VILLAGE WATER ASSOCIATION, INC.

BY: _____

PRESIDENT

ATTEST:

J. M. Graham
SECRETARY

This contract is approved on behalf of the Farmers Home Administration, this the _____ day of _____, 1969.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

BY: _____

TITLE

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PURSUANT TO 807 KAR 5.011,
SECTION 3 (1)

BY: *Jordan C. Neal*
FOR THE BOARD OF COMMISSIONERS