

WATER PURCHASE CONTRACT

THIS CONTRACT made and entered into this the 7th day of July, 1986, by and between the CITY OF GREENSBURG, of North Main Street, Greensburg, Kentucky, herein-after referred to as City, and the GREEN-TAYLOR WATER DISTRICT of 513½ Columbia Highway, Greensburg, Kentucky, hereinafter referred to as District;

WITNESSETH, THAT WHEREAS, the District is organized and established under the provisions of Chapter 74 of the Kentucky Revised Statutes 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 District and to accomplish this purpose, the District will require a supply of treated water, and

WHEREAS, the City owns and operates a water supply distribution system with a capacity of serving the present customers of the District's system and a portion of the estimated number of water users to be served by said District as shown in the plans of the system now on file in the office of the District, and

WHEREAS, by Resolution enacted on the 7th day of July, 1986, by the City, the sale of water to the District in accordance with the provisions of the said Resolution was approved, and the execution of this contract carrying out the said Resolution by the Mayor, and attested by the Clerk, was duly authorized, and

WHEREAS, by Resolution of the Commission of the District, enacted on the 1st day of July, 1986, the purchase of water from the City in accordance with the terms set forth in said Resolution was approved, and the execution of this contract by the Chairman, attested by the Secretary, was duly authorized:

NOW THEREFORE, for and in consideration of the foregoing and the mutual agreements hereinafter set forth, the City and

District agree as follows:

1. The City agrees to furnish to the District at the point of delivery hereinafter specified, during the term of this contract, or any renewal or extension thereof, potable treated water meeting applicable purity standards of the Commonwealth of Kentucky in such quantity as may be required by the District not to exceed 15,000,000 gallons per month.

2. The City agrees that said water will be furnished at a reasonably constant pressure calculated at 25 PSI from an existing 4 inch main supply at a point located 1000 feet North of an existing 6 inch main supply on the Campbellsville Road; at 5 PSI from an existing 8 inch main supply at the City's reservoir on the Summersville Road; and at 25 PSI from the end of an existing 6 inch supply line on the Columbia Road.

If a greater pressure than that normally available at the points of delivery set out above is required by the District, then the cost of providing such greater pressure shall be borne by the District. Emergency power failure, flood, fire and use of water to fight fire, earthquake or other catastrophe shall excuse the City from this provision for such reasonable period of time as may be necessary to restore service. Otherwise, the City shall have available to the District not less than 100 gallons per minute at the point of delivery on the Campbellsville Road; not less than 100 gallons per minute at the point of delivery on the Columbia Road; and not less than 150 gallons per minute at the reservoir on the Summersville Road.

3. The City agrees to furnish to the Treasurer of the District at the address of the District as set out above, not later than the 15th day of each month, with an itemized statement of the amount of water furnished the District during the preceding month.

4. The District agrees to furnish, install, operate, and maintain at its own expense at 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 District and to calibrate such metering equipment whenever requested by the City but not more frequently than once every twelve (12) months. A meter registering not more than two percent (2%) above or below the test result shall be deemed to be accurate. The previous readings of any meter disclosed by test to be inaccurate shall be corrected for the six (6) months previous to such test in accordance with the percentage of inaccuracy found by such tests. If any 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 City and District shall agree upon a different amount. The metering equipment shall be mutually read by City and District on the first Monday of each month.

5. The District agrees to pay the City, not later than the 20th day of each month, for water delivered, the sum of Seventy-Two Cents (\$.72) per thousand gallons, said rate to take effect on and be reflected immediately.

6. This contract shall extend until the year of 2026, and thereafter may be renewed or extended for such term, or terms, as may be agreed upon by the City and District, and all other contracts between the City and District shall be, and are hereby, null, void and of no effect whatsoever.

7. That the City 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 District with quantities of water required by the District, but not to exceed 15,000,000 gallons per month. 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 City is otherwise diminished over an extended period of time, the supply of water to District consumers shall be reduced or diminished in the same ratio or proportion as the supply to City consumers is reduced or diminished.

8. That the City re-purchases at several meter locations some of the water sold to the District, and for such water that is re-purchased by the City, the City shall pay to the District the same rate that is paid by the District to the City.

9. The provisions of this contract pertaining to the rates to be paid by the District for water delivered are subject to modification on July 1 of each year hereafter. Any increase or decrease in rates shall be based upon a demonstrable increase or decrease in the costs of performance hereunder. Such costs shall not include the costs of capitalization of the City system incurred by the City to the date hereof, however, it shall include the costs of capitalization hereafter that directly benefits the District. The amount the District shall pay the City for its portion of such capitalization shall be computed annually by first taking the ratio of the amount of water delivered to the District as to the total amount of water pumped by the City, and multiplying this percentage times the money actually expended by the City for that portion of the capitalization which directly benefits the District, whether borrowed or from cash on hand. If the money expended by the City is borrowed by the City then such costs to the District shall include interest at the rate paid by the City.

Even though this modification of rates may be made by the City on July 1 of each year, such rates shall not take effect until the expiration of 90 days from such time as the District is furnished with a statement provided by the City's "certified public accountant" certifying such demonstrable increase or decrease in the costs of performance and the District's share of capitalization.

Other provisions of this contract may be modified, altered or amended by agreement of the parties and the Farmers Home Administration.

10. That this contract is subject to such rules, regulations, or laws as may be applicable to similar agreements in the State of Kentucky and the City and District will

collaborate in obtaining such permits, certificates, or the like, as may be required to comply therewith.

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

IN WITNESS WHEREOF, the parties hereto, acting under authority of their respective governing bodies, have caused this contract to be duly executed in two (2) counterparts, each of which shall constitute an original.

CITY OF GREENSBURG, KENTUCKY

By: William F. Taylor
William F. Taylor, Mayor

ATTEST:

W. DeSpain
City Clerk

GREEN-TAYLOR WATER DISTRICT

By: William Mark Netherland
William Mark Netherland, Chairman

ATTEST:

Carl H. Sedenski
Secretary

Approved 9-11-86
James A. Little
Community + Business Association
JmHA

RESOLUTION

The foregoing Water Purchase Contract, dated July 1, 1986, between the Green-Taylor Water District and the City of Greensburg and Amendments thereto, are hereby pledged to the United States of America, acting through the Farmers Home Administration, as a part of the security for a loan or loans by the United States of America.

This pledge shall continue in effect so long as the Green-Taylor Water District is indebted to the Farmers Home Administration.

GREEN-TAYLOR WATER DISTRICT

by:

William Netherland

William Netherland, Chairman

Dated:

7-16-86