

USDA-FHA
Form FHA 442-30
(Rev. 4-19-72)

WATER PURCHASE CONTRACT

This contract for the sale and purchase of water is entered into as of the 27th day of August, 1982, between the City of Harlan Municipal Water Works Commission, 125 River Street, Harlan, Kentucky, hereinafter referred to as the "Seller" and the Harlan County Fiscal Court, Courthouse, Harlan, Kentucky, hereinafter referred to as the "Purchaser",

WITNESSETH:

Whereas, the Purchaser is organized and established under the provisions of KRS of the State of Kentucky for the purpose of constructing a water supply distribution system serving water users within the Eastbrook Housing Site 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 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, by motion made and duly seconded on the 22 day of April, 1982, by the Seller's Water Works Commission, the sale of water to the Purchaser in accordance with the provisions of this contract, was approved and the execution of this contract by the Chairman of the Water Works Commission and attested by the Secretary, was duly authorized and

Whereas, enacted on the 22 day of April, 1982, 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 Seller and attested by the Secretary, was duly authorized and

Whereas, by Resolution of the Fiscal Court of the Purchaser, enacted on the 12th day of August, 1982, the Purchaser 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 Fiscal Court, and attested by the Secretary, was duly authorized;

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Now, therefore, in consideration of the foregoing and the mutual agreements hereinafter set forth,

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PURSUANT TO 807 KAR 5:011.
SECTION 9 (1)

BY: Jordan C. Neal
FOR THE PUBLIC SERVICE COMMISSION

A. The Seller Agrees:

1. (Quality and Quantity) To furnish the Purchaser 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 Kentucky DNREP, Division of Sanitary Engineering, in such quantity as may be required by the Purchaser not to exceed 42,000 gallons per day, except that this amount may be exceeded on a temporary basis as a result of additional water needed for fire control or lost as a result of pipe line failures. In the event of such unusual usage or loss, the Seller is to be notified, as soon as such usage or loss is known by the Purchaser

2. (Point of Delivery and Pressure) That water will be furnished at a reasonably constant pressure calculated at 100 psi static from an existing 6 inch main supply at a point located on River Street approximately 100' West of City boundary, in Fairview Section. If a greater pressure than that normally available at the delivery is required by the Purchaser, the cost of providing such greater pressure shall be borne by the Purchaser. However, any booster pumps shall have the approval of the Seller, before installation. Emergency failures 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 period of time as may be necessary to restore service.

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3. (Metering Equipment) The Purchaser is to furnish, install, operate, and maintain as its own expense, at a point of delivery, the necessary metering equipment, including a meter house or pit, and required devices of standard type properly measuring the quantity of water delivered to the Purchaser and same to be approved by Seller before installation. This metering equipment shall be maintained, and repaired, as needed. At least once every five (5) years or as needed, the meter shall be calibrated to register not more than two (2) percent above or below the test. The previous reading of any meter disclosed by test to be inaccurate shall be corrected for the six 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 Purchaser should have additional usage during such period which estimate covers. The metering equipment shall be read once each month, and a billing rendered on the first of the following month. an appropriate official of the Purchaser at all reasonable times shall have access to the meter for the purpose of verifying its readings

4. (Billing Procedure) To furnish the Purchaser at the above address on or about the first day of each month with an itemized statement of the amount of water furnished the Purchaser through monthly billing period.

B. The Purchaser Agrees

1. (Rates and Payment Date) To pay the Seller, not later than the twentieth (20) day of each month, for water delivered in accordance with current prevailing rates for all city customers which may be increased or decreased from time to time. The rates are as follow: As of April 1, 1982

- a. \$5.40 for the first 2,000 gallons, which amount shall also be the minimum rate per month.
- b. Next 8,000 gallons 1.32 per 1,000 gallons
- c. Next 15,000 gallons 1.02 Per 1,000 gallons
- d. Next 75,000 gallons .90 per 1,000 gallons
- e. Balance .80 per 1,000 gallons

2. (Connection Fee) To pay as an agreed cost, a connection fee to connect the Seller's system with the system of the Purchaser, the sum of 0 dollars which shall cover all and all costs of the Seller for installation of the metering equipment.

3. The Purchaser agrees to maintain the meter and meter pit and all pipeline therefrom in good condition. The Purchaser further agrees that water lost through leakage that causes consistent or frequent withdrawal in excess of 42,000 gallons per day shall not be construed as water lost from pipeline failures on a temporary basis.

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C. It is further mutually agreed between the Seller and the Purchaser as follows:

PURSUANT TO 807 KAR 5011.
SECTION 5(4)
BY: Jordan C. Neal
FOR THE PUBLIC SERVICE COMMISSION

1. (Term of Contract) That this contract shall extend for as long as the Purchaser wants to purchase water from the Seller, subject to the conditions of this contract.

2. The meter will be installed by the Purchaser and approved by the Seller, prior to any sale or delivery of water.

3. (Water for Testing) 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 at the current rates, which will be paid by the Contractor or, on his failure to pay, by the Purchaser.

4. The Contractor shall notify the Seller in advance of any large quantity of water for testing or flushing.

5. (Failure to Deliver) 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 up to 42,000 gallons of water per day except for additional withdrawals as 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 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. However, the Seller, in the event of failures in its system affecting all or a substantial portion of its customer, shall have the right to determine priority in restoring service to sections of its system taking into account the number and type customers in the system or the affected part or parts thereof.

6. (Modification of Contract) This contract may be modified or altered by mutual agreement.

7. (Regulatory Agencies) 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. (Miscellaneous) That the construction of the water supply distribution system by the Purchaser is being financed by a loan made or insured by, and/or a grant from, the United States of America, acting through the Farmers Home Administration of the United States Department of Agriculture, and the conditions hereof pertaining to the undertakings of the Purchaser are conditioned upon the approval, in writing, of the State Director of the Farmers Home Administration.

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9. (Successor to the Purchaser) PURSUANT TO KRS 501.001 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.

10. The Purchaser will provide to the Seller a name or names of a contact person or persons on an updated basis.

11. The Purchaser shall have the responsibility for maintaining the meter, pit and all pipeline extending therefrom.

12. If customers, other than the Eastbrook Site, are to be connected, it would be subject to approval by the Seller.

In witness whereof, the parties hereto, acting under authority of their respective governing bodies, have caused this contract to be duly executed in three counterparts, each of which shall constitute an original.

Seller: City of Harlan
Municipal Water Works Commission

By Fred J. Soward

Title Chairman

Attest:

Bobby H. Howard
Secretary

Purchaser:

Harlan Fiscal Court

By Hugh Hall

Title County Judge Executive

Attest:

Jimmy Lee
Secretary

This contract is approved on behalf of the Farmers Home Administration this 14th day of May, 1986

This approval is subject to the inclusion of the provisions of "Contract Addendum" dated September 15, 1982, a copy of which is attached hereto.

By David R. King

Title County & Business Prog. Spec.

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PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

BY: Jason C. Neel
FOR THE PUBLIC SERVICE COMMISSION