

THIS AGREEMENT, made and entered into on this the 1st day of January, 1982, by and between the CITY OF HARRODSBURG, KENTUCKY, a Municipal Corporation of the fourth class, acting by and with the authority of the Harrodsburg Board of City Commissioners, hereinafter called the CITY, and NORTH MERCER WATER DISTRICT, acting by and through its Board of Commissioners, hereinafter called the DISTRICT, both municipal corporations organized under the laws of the State of Kentucky;

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

WITNESSETH:

SEP 22 1994

Prior contract, dated October 8, 1963, is hereby superceded, and further;

PURSUANT TO 807 KAR 5011,
SECTION 9(1)
BY: Curtis C. Neal
FOR THE PUBLIC SERVICE COMMISSION

WHEREAS, the City desires to sell to the District, and the District desires to purchase from the City, purified water, the parties agree, as follows:

(1) The City agrees to furnish and sell treated water, (of the same type and quality as it furnishes to its regular City customers), to the District through a meter or meters of standard type in use in the City, size to be designated by the District, but subject to the approval of the City and furnished, installed, and maintained by the District at no cost or expense to the City, upon the following special terms and conditions:

A. Existing connections with the City's existing water service have been made to the eight-inch main at the City Swimming Pool on the Mackville Road and the second connection made on Highway 127 at the North City Limits from a twelve-inch water main. Additional connections to the

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City's water service mains may be approved in writing by the City from time to time.

B. The City agrees that through said connections it will furnish to the District, such supply of purified water as the District may require up to twenty percent of the City's capacity to produce, which is presently 4.0 million gallons per day. In the event that the available supply of purified water obtainable through the City's river intake and purification plant should fall short of the City's own needs and demands, the City may give reasonable notice to the District, and thereafter, prorate available water between the City and the District according to the respective use of the two bodies during the ^{six (6) months} last/~~calendar~~ year. Failure in the City's supply due to main breaks, power failure, floods, earthquakes, and other catastrophes shall excuse the City from compliance with supply terms until such occurrences are remedied.

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BY: *Jordan L. [Signature]*
FOR THE PUBLIC SERVICE COMMISSION

C. The rules, regulations, and limitations which the City may impose upon other regular customers with respect to the use of its water will be applicable to the District which will cooperate with the City in enforcing same. See below (i)

(2) The District agrees to pay the City each month for water consumed as shown by the reading or uncombined readings of said meters through which water is furnished by the City to the District upon the following terms:

A. It is agreed that the District shall pay to the City, monthly, as billed, the same rate of

* * * * *

(i) The intention is for equality of rules

and treatment for all customers for the prudent operation of the system.

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H.A.M.
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M&C*

charges for water received from the City through the facilities of said meters as the City charges and collects from time to time from its other customers of the same classification; and, upon failure of the District to pay the City's billing, the City shall be entitled to discontinue water service to the District in the same manner as the City may be entitled to discontinue service to any other customer of the same classification.

B. The City may review its rates of charge for water service annually and adjust rates as deemed appropriate for all City customers according to their classification. In the event the City should increase or decrease its rates of charge to its customers, an equitable increase or decrease will be made in its charges to the District. Current rates of charge are, as follows:

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BY: *Jordan C. [Signature]*
FOR THE PUBLIC SERVICE COMMISSION

	Minimum Bill - \$5.00 for first 250 Cu. Ft.
Next	750 Cu. Ft. for \$1.90 per 100 Cu. Ft.
Next	3,000 Cu. Ft. for 1.65 per 100 Cu. Ft.
Next	6,000 Cu. Ft. for 1.40 per 100 Cu. Ft.
Next	25,000 Cu. Ft. for 1.20 per 100 Cu. Ft.
Next	25,000 Cu. Ft. for 1.00 per 100 Cu. Ft.
All Over	60,000 Cu. Ft. for .80 per 100 Cu. Ft.

C. The District agrees that from the time the District's system is first constructed and tested at the point or points of supply and a meter or meters through which the District will acquire water have been installed, the District will pay a minimum monthly water bill per meter to the City, according to the following schedule:

<u>Size of Meter</u>	<u>Minimum Charge Per Month</u>
1-1/2" and smaller	\$ 50.00
2" through 4"	100.00
6" through 8"	300.00
Over 8"	Negotiable

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[Signature]
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The City may review its minimum meter charges annually and adjust rates as deemed appropriate for City customers according to their classification.

(3) The said water meters on which the District receives said supply of water from the City's waterlines, shall be the property of the District and will be maintained at the District's expense; provided, however, that the District shall have each meter independently tested each year by a mutually agreed testing agency and supply the City with a certified copy of meter test reports. If any meter shall be found upon such testing that said meter is inaccurate beyond +2 percent or other standards currently provided by the regulations of the Utility Regulatory Commission of Kentucky, immediate replacement or repair of any such meter shall be borne by the District. Payment for service during any period found to be inaccurate shall be 110 percent of the corresponding month(s) of the previous year's known accurate meter readings as recorded by the City.

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In the event that the City question the accuracy of the District's meter(s) between said regular testing, meter(s) shall be examined as stated. If it is found upon such additional testing and repair shall be borne by the District, otherwise the expense of such additional testing shall be borne by the City.

PURSUANT TO 807 KAR 5.011,
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BY Green J. J. J. J.
FOR THE PUBLIC SERVICE COMMISSION

(4) A "notice" or a "request" by one party to the other under the terms hereof shall be sufficient if in writing, mailed by certified-receipt-requested, United States Mail, postage prepaid, and addressed to such other party in care of an officer of such party, in Mercer County, designated by such party to receive notices hereunder. In the absence of such designation, it may be addressed in care of any executive officer of such party in Mercer County.

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(5) It is understood and agreed that the City does not guarantee unto the District any specific pressure of such water service and that the maximum rate of supply will not exceed the limits as set out below, provided, that such withdrawal rates do not cause deterioration of service to the City's other customers, at which time, paragraph 1, subparagraph B, of this Agreement, shall apply.

Mackville Road Connection	200	gallons per minute
U.S. Highway 127 Connection	355.56	gallons per minute
.....	gallons per minute
.....	gallons per minute
.....	gallons per minute

(6) The District agrees it will construct and install, at its own expense and upon its own responsibility, such booster pumping, storage, and/or other facilities as may be necessary or desirable to preserve, in the District's water distribution system, such pressure for fire protection and other purposes as the District may desire or require. It is expressly understood and agreed that City does not assume responsibility for any specific or particular water pressure in the District's distribution system for fire protection or other purposes.

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(7) The District agrees that it will, at City expense, terminate water service to any of its customers which fail to pay for sewer service received from the City.

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BY: [Signature]
FOR THE P...

(8) The term of this contract shall be for the period of forty (40) years, beginning with the date of this Agreement.

(9) The purchaser's rights and privileges are hereby pledged to the United States of America,

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[Signature]

acting through Farmers Home Administration as Lender and/or bondholder of the District's bond or bonds as a part of the security for such indebtedness.

(10) In consideration of the premises above, the District agrees that all plans and specifications for installations within a 1-1/2 miles radius of City shall be submitted to the City for review and approval prior to their submission to the Kentucky Department of Health for approval and that all construction under such plans and specifications be subject to inspection and approval by the City. Such approval shall not be unreasonably withheld.

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S I G N E D , this the day and year first above written by the Mayor and Clerk of the City of Harrodsburg, and by the Chairman and Secretary of the North Mercer Water District, in multiple copies, each of which shall have the same force and effect as the original, all pursuant to appropriate Resolutions of the City of Harrodsburg and the Board of Commissioners of the North Mercer Water District.

CITY OF HARRODSBURG, KENTUCKY

By: Charles W. Carr
Charles W. Carr, PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

A T T E S T:

Marginta E. Carley
City Clerk

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PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

NORTH MERCER WATER DISTRICT C. Carr
FOR THE PUBLIC SERVICE COMMISSION

By: Aubrey Morris
Aubrey Morris, Chairman
Board of Commissioners

A T T E S T:

John Tuggle 3-24-82
John Tuggle, Secretary