

**WASTEWATER TREATMENT SERVICES
PURCHASE CONTRACT**

This contract for the purchase of wastewater treatment services is entered into as of the 19TH day of MAY, 1998, between the Utility Commission of the City of London, Kentucky, 801 North Main Street, P. O. Box 918, London, Kentucky 40743-0918 (hereinafter referred to as the "Seller") and the Wood Creek Water District, 1670 Daniel Boone Parkway, London, Kentucky 40741 (hereinafter referred to as the "Purchaser").

W I T N E S S E T H

WHEREAS, the Purchaser was created and is existing pursuant to the provisions of Chapter 74 of the Kentucky Revised Statutes, for the purpose of construction and operating a waterworks and sewage collection system serving Three Hundred (300) 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 source for wastewater treatment, and

WHEREAS, the Seller owns and operates a wastewater treatment works system with a capacity currently capable of serving the present customers of the Seller's system and the estimated number of wastewater contributors 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 Ordinance No. 933 enacted on the 12th day of December, 1997, by the City of London, Kentucky, the sale of wastewater treatment services to the Purchaser in accordance with the provisions of said Ordinance by the City of London, Kentucky and attested by the City Clerk, was duly authorized, and

WHEREAS, by Resolution of the Board of Commissioners of the Purchaser, adopted on the 11th day of May, 1998, the purchase of wastewater treatment services from the Seller in accordance with the terms set forth in said Resolution was approved, and the execution of this Contract by the Chairman of the Board of the Purchaser, and attested by the Secretary was duly authorized;

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

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

JUL 24 1998

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

BY: Stephan O. Bell
SECRETARY OF THE COMMISSION

A. THE SELLER AGREES:

1. **Quality:** To furnish the Purchaser at the point of delivery hereinafter specified, during the term of this Contract or any renewal or extension thereof, wastewater treatment services meeting and subject to all applicable standards of the Kentucky Natural Resources and Environmental Protection Cabinet, Division of Water.
2. **Quantity:** The Purchaser shall have the right to continue adding additional customers to their system which will increase the amount of wastewater to be treated; however, it is understood that should such additional wastewater create a need for modification to the Seller's system, the Purchaser agrees to be responsible for a proportional part of the cost of such modifications which are necessary to provide continued service.
3. **Point of Deliver.** That wastewater will be accepted into the Seller's system at a point(s) of discharge as mutually agreed upon.
4. **Billing Procedure.** To furnish the Purchaser at the above address not later than the 1st day of each month, with an itemized statement of the amount of wastewater treated furnished the Purchaser during the preceding monthly billing period.

B. THE PURCHASER AGREES:

1. **Metering Equipment.** To furnish, install, operate and maintain at its own expense and subject to the Seller's specifications at point of delivery, the necessary metering equipment, including a meter house or pit and required devices of standard type for properly measuring the quantity of wastewater delivered to the Seller and to calibrate such metering equipment whenever requested by the Seller but not more frequently than once every three (3) months. A meter registering not more than five percent (5%) 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 three (3) 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 discharged during such period shall be deemed to be the amount of water discharged in the corresponding period immediately prior to failure, unless Seller and Purchaser shall agree upon a different amount. The metering equipment shall be read monthly. An appropriate official of the Seller at all reasonable times shall have access to the meter for the purpose of verifying its readings.

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BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

2. **Rates and Payment Date.** To pay the Seller, not later than the 20th day of each month, for wastewater treated in accordance with the following schedule of rates:

- a) **Minimum monthly bill:**
45,000 gpd x 30 days = 1,350,000 gallons/month at \$1,525.00 (\$1.13/1,000 gallons).
- b) \$1.13 per 1,000 gallons of wastewater in excess of 1,000 gallons. A 10% surcharge shall be added to all delinquent accounts in accordance with the applicable City Rate Ordinance.

C. IT IS FURTHER MUTUALLY AGREED BETWEEN THE SELLER AND THE PURCHASER AS FOLLOWS:

1. **Term of Contract.** That this Contract may be renewed on an annual basis for Forty-Five (45) years from the date of the initial delivery of wastewater treatment as shown by the first bill submitted by the Seller to the Purchaser and, thereafter may be renewed or extended for such term, or terms, as may be agreed upon by the Seller and Purchaser.

2. **Failure to Deliver.** That the Seller shall, at all times, operate and maintain its system in an efficient manner and shall undertake to furnish the Purchaser with wastewater treatment required by the Purchaser. Temporary or partial failures to deliver wastewater treatment shall be remedied with all possible dispatch.

3. **Modification of Contract.** That the provisions of this contract pertaining to the schedule of rates to be paid by the Purchaser for wastewater treatment are subject to modification at the end of every one year period. Other provisions of this Contract may be modified or altered by mutual agreement.

4. **Successor to the Purchaser.** That in the event of 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.

5. This document shall not be binding on either party until or unless approved by the Kentucky Division of Water, the Kentucky Public Service Commission, and if necessary, the Kentucky Attorney General.

PUBLIC SERVICE COMMISSION
APPROVED BY THE
SECRETARY

JUL 24 1998

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SECTION 9 (1)
BY: Stephan Bee
SECRETARY OF THE COMMISSION

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. This Contract shall supersede all prior contracts that are or may have been in place.

**PUBLIC SERVICE COMMISSION
COMMONWEALTH OF KENTUCKY**

**UTILITY COMMISSION OF THE
CITY OF LONDON, KENTUCKY
Seller**

By _____

By Michael F. Hamm

Michael F. Hamm
Chairman of the Board

Title _____

Attest _____

Title _____

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

Stephen Chesnut

Stephen Chesnut
Secretary / Treasurer

JUL 24 1998

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

BY: Stephan O Bee
SECRETARY OF THE COMMISSION

**ATTORNEY GENERAL
COMMONWEALTH OF KENTUCKY**

**WOOD CREEK WATER DISTRICT
Purchaser**

By _____

By Gene Kennedy

Gene Kennedy
Chairman of the Board

Title _____

Attest _____

Attest Earl Bailey

Earl Bailey
Secretary/Treasurer

Title _____