

WATER PURCHASE CONTRACT

This contract for the sale and purchase of water is entered into as of the 12 day of May, 1966, between the City of Versailles, Kentucky, hereinafter referred to as the "City", and Northeast Woodford County Water District, a body corporate, hereinafter referred to as the "District",

WITNESSETH

WHEREAS, the District has been 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

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

AUG 26 1994

PURSUANT TO 807 KAR 5011, SECTION 9 (1)

BY: Jordan C. Neal
FOR THE PUBLIC SERVICE COMMISSION

WHEREAS, by Resolution on the 17 day of MAY, 1966, by the Council of 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 City Clerk, was duly authorized, and

WHEREAS, by Resolution of the Board of Commissioners, of the District, enacted on the 17 day of May, 1966, the purchase of water from the City in accordance with the terms set forth in the said Resolution was approved, and the execution of this contract by the Chairman, and attested by the Secretary, was duly authorized;

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

THE CITY AGREES:

1. (Quality and Quantity) To furnish 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 State Board of Health in such quantity as may be required by the District not to exceed Five Million (5,000,000) gallons per month.

2. (Point of Delivery and Pressure) That water will be furnished at a reasonably constant normal pressure from an existing ten (10) inch main supply at a point located at the District boundary, as amended as hereinafter provided, on the Big Sink Pike, and at other points as may be mutually agreed upon.

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EFFECTIVE

AUG 26 1994

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If a greater pressure than that normally available at the point of delivery is required by the District, the cost of providing such greater pressure shall be borne by the District. 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 City from this provision for such reasonable period of time as may be necessary to restore service.

3. (Metering Equipment) To furnish, install, operate, and maintain at its own expense 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 water delivered to the District and to calibrate such metering equipment whenever requested by the District 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 to the last calibration, or for the six (6) months previous to such test, whichever is the lesser, 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

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prior to the failure, unless City and District shall agree upon a different amount. The metering equipment shall be read not later than the 20th day of each month.

4. (Billing Procedure) To furnish the Treasurer of the District, at his current address, or as may be hereafter requested by the District, not later than the 5th day of each month, with an itemized statement of the amount of water furnished the District during the preceding month.

THE DISTRICT AGREES:

1. (Rates and Payment Date) To pay the City, not later than the 15th day of each month, for water delivered in accordance with the rates in effect for like or similar customers within the City. A copy of the proposed rates is attached hereto and made a part hereof as Exhibit "A".

There shall be added to the above monthly rates, a surcharge of Fifteen Dollars (\$15.00) per month for each customer who has purchased water from the District for the purpose of resale to other metered users outside of the district, as presently described in the records of the Woodford County Court Clerk's Office less the tract to be hereafter deleted the District as described in Exhibit "B".

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

AUG 26 1994

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2. (Connection Fee) To pay as an agreed cost, a connection fee to connect the City system with the system of the District, an amount equal to the sum of any and all costs of the

City for installation of the metering equipment and appurtenances.

3. (Petition to Amend District Boundary) To petition the Woodford County Court as required by law, to amend the boundary of the District so as to delete a tract of land as described more particularly in the attached Exhibit "E".

IT IS FURTHER MUTUALLY AGREED BETWEEN THE CITY AND THE DISTRICT, AS FOLLOWS:

1. (Term of Contract) That this contract shall extend for a term of forty (40) years from the date of the initial delivery of any water by the City to the District and, thereafter may be renewed or extended for such term, or terms, as may be agreed upon by the City and District.

2. (Delivery of Water) That six (6) months prior to the estimated date of completion of construction of the District's water supply distribution system, the District will notify the City in writing the date for the initial delivery of water.

3. (Water for Testing) When requested by the District the City 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 District during construction, at its existing regular rate and the District will provide a temporary meter in the event that the City has not installed its permanent metering equipment, which will be paid for by the contractor or, on his failure to pay, by the District.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

AUG 26 1994

PURSUANT TO 807 KAR 5:011.
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4. (Failure to Deliver) 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. 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.

5. (Modification of Contract) Any increase or decrease in rates shall be based on a demonstrable increase or decrease in the costs of performance hereunder, it being understood, however, that the City shall not in any event be required to deliver water to the district at a rate lower than that at which it sells water to users within the city. Other provisions of this contract may be modified or altered by mutual agreement.

6. (Regulatory Agencies) 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.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

AUG 26 1994

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7. (Miscellaneous) That the construction of the water supply distribution system by the District is being financed by a loan from (or a loan insured by) the United States of America, acting through the Farmers Home Administration of the United States Department of Agriculture, or other lending agency or institution, and the provisions hereof pertaining to the undertakings of the District are conditioned upon the approval, in writing, of the State Director of Kentucky, of the Farmers Home Administration, or other lending agency or institution. Similarly, any modification of the provisions of this contract, including any increase in the schedule of rates to be paid by the District for the delivery of water shall be conditioned upon the prior approval, in writing, of the State Director of Kentucky, of the Farmers Home Administration, or other lending agency or institution.

8. (Successor to the District) 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 and obligations of the District hereunder.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

IN TESTIMONY WHEREOF, the parties hereto, acting under authority of their respective governing bodies, have caused

AUG 26 1994

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PROPOSED WATER RATES

CITY OF VERSAILLES, KENTUCKY

AND

NORTHEAST WOODFORD COUNTY WATER DISTRICT

EXHIBIT "A"

First	1,000	gallons used per month at	\$2.25 (Minimum)
Next	4,000	gallons used per month at	.80 per M. Gals.
Next	5,000	gallons used per month at	.70 per M. Gals.
Next	15,000	gallons used per month at	.60 per M. Gals.
Next	25,000	gallons used per month at	.50 per M. Gals.
Next	50,000	gallons used per month at	.40 per M. Gals.
Next	200,000	gallons used per month at	.35 per M. Gals.
Over	300,000	gallons used per month at	.30 per M. Gals.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
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AUG 26 1994

EXHIBIT "A"

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

PROPOSED WATER RATES

CITY OF VERSAILLES, KENTUCKY

AND

NORTHEAST WOODFORD COUNTY WATER DISTRICT

EXHIBIT "A"

First	1,000	gallons used per month at	\$2.25 (Minimum)
Next	4,000	gallons used per month at	.80 per M. Gals.
Next	5,000	gallons used per month at	.70 per M. Gals.
Next	15,000	gallons used per month at	.60 per M. Gals.
Next	25,000	gallons used per month at	.50 per M. Gals.
Next	50,000	gallons used per month at	.40 per M. Gals.
Next	200,000	gallons used per month at	.35 per M. Gals.
Over	300,000	gallons used per month at	.30 per M. Gals.

PUBLIC SERVICE COMMISSION
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EXHIBIT "A"

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BY: *Jonathan C. Neal*
FOR THE PUBLIC SERVICE COMMISSION

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AND

NORTHEAST WOODFORD COUNTY WATER DISTRICT

EXHIBIT "B"

Bounded by a line beginning at a point in the Eastern right-of-way line of U. S. 62, said point being 2250 feet from the U. S. 60 northern right-of-way line, thence in a easterly direction parallel to and 2250 feet from the northern U. S. 60 and U. S. 60 By-Pass right of way line to a point in the center line of the Southern Rail Road mainline track, thence in a westerly direction with the center line of the Southern Rail Road track to its intersection with the northeastern right of way line of the U. S. 60 By-Pass, thence in a north-westerly direction with the northern right of way line U. S. 60 By-Pass to the northern right of way line to U. S. 60 to the northern right of way of U. S. 62 to its intersection with the U. S. 62 eastern right of way line, thence in a Northern direction with the U. S. 62 eastern right of way line to the point of beginning.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

AUG 26 1994

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