

Copy for Don Tansley

03/20/89

CONTRACT

THIS CONTRACT for the use of the water lines of the City of Marion, Kentucky, is entered into as of the 20 ~~February~~ ^{MARCH} day of 1989, by and between CRITTENDEN-LIVINGSTON COUNTY WATER DISTRICT, P. O. Box 495, Salem, Kentucky 42078, hereinafter called WATER DISTRICT, and CITY OF MARION, KENTUCKY, a Fourth Class City, 108 E. Bellville Street, Marion, Kentucky, hereinafter called CITY.

WITNESSETH: WHEREAS, the WATER DISTRICT is organized and established under the provisions 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 WATER DISTRICT and to accomplish this purpose, the WATER DISTRICT will require the use of the water lines of the CITY, and

WHEREAS the CITY owns and operates a water supply distribution system with water lines now in place and capable of serving the WATER DISTRICT by moving water through the CITY system to reach the Phase II customers of the WATER DISTRICT;

NOW, THEREFORE, in consideration of the foregoing and the mutual agreements herein set forth, the parties agree as follows:

PUBLIC SERVICE COMMISSION OF KENTUCKY

EFFECTIVE

SEP 22 1984

COVENANTS OF WATER DISTRICT

PURSUANT TO 807 KAR 5011, SECTION 9(1)

1. To furnish potable treated water meeting applicable purity standards of the Kentucky Natural Resources and Environmental Protection Agency in such quantity as may be required at the Water Treatment Plant of the CITY and which quantity of water shall be metered in at such point of delivery.

2. To provide three (3) connections to the present City System at points mutually agreed upon by the parties and as shown on the Engineer (GRW) drawings of the District for their Phase II customers and which are located on (a) Piney Road (Ky. #506), (b) Shady Grove Road (Ky. #120), and (c) Marion-Mattoon Road (U. S. #60). Water shall be metered out at such locations.

BY: [Signature] FOR THE DISTRICT

3. To pay all expenses of making the necessary connections with the City Water System.

4. To allow the CITY, its employees and representatives to inspect and examine all meters at any time.

5. To hold the CITY harmless from all claims and demands in the event the CITY is unable to deliver water beyond their control.

6. To compensate the CITY at a rate of five (5%) percent of all water going through the City System metered in at the City Treatment Plant and out at the connection (Item 2) which the CITY shall receive and be allowed to credit against the minimum amount of water it has previously agreed to purchase from the WATER DISTRICT or the CITY ^{+ Rate} may receive its present value of \$1.50 per 1,000 gallon in lieu of water. The value may change from year to year as hereinafter provided. *Should be high*

7. To furnish, install, operate and maintain at its own expense at the connections where water will be metered in and metered out, the necessary metering equipment, including a meter house or pit, and required devices of standard type for properly measuring the quantity of water 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 (2%) percent above or below the test result shall be deemed to be accurate. The previous readings of any meter disclosed by test to be accurate 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 furnished during such period shall be deemed to be the amount of water delivered in the corresponding period immediately prior to the failure, unless the WATER DISTRICT and CITY shall agree upon a different amount. The metering equipment shall be read on the 1st day of each month.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

SEP 22 1994

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

BY: *[Signature]*
FOR THE PUBLIC SERVICE COMMISSION

COVENANTS OF CITY

1. To furnish the WATER DISTRICT at the three (3) connections which meter out water potable treated water meeting applicable purity standards of the Kentucky Natural Resources and Environmental Protection Agency in such quantity as may be required by the WATER DISTRICT not to exceed however the amount of water metered in less five (5%) percent.

2. The water will be furnished at a reasonable constant pressure calculated at 30 PSI or above at the three connections where water will be metered out, except the connection located on Piney Road (Ky. #506) which shall be calculated at what is presently normal. If a greater pressure than that normally available at the three connections is required by the WATER DISTRICT, the cost of providing such greater pressure shall be born by the WATER DISTRICT. Emergency failures of pressure or supply due to main supply line breaks, power failures, flood, fire and use of water to fight fire, earthquakes or other catastrophe shall excuse the CITY from this provision for such reasonable period of time as may be necessary to restore service.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

SEP 22 1994

MUTUAL AGREEMENTS

1. That this Contract shall extend for a term equal to the term of the loan of the WATER DISTRICT with the Farmers Home Administration and thereafter may be renewed or extended for such term, or terms, as may be agreed upon by the parties.

PURSUANT TO 807 KAR 5.011,
SECTION 11

BY: *Robert J. [Signature]*
FOR THE [Signature]

2. That the parties will operate and maintain their respective systems in an efficient manner and will take such action as may be necessary to furnish the WATER DISTRICT with quantities of water required by the WATER DISTRICT at the point of connection to the CITY. Temporary or partial failures to deliver water shall be remedied with all possible dispatch.

3. That the provisions of this Contract pertaining to the schedule of rate for the wheeling charge is subject to modification at the end of every year

period. Any increase or decrease in the rate shall be based on demonstrable increase or decrease in the cost of performance hereunder. Other provisions of this Contract may be modified or altered by mutual agreement.

4. This Contract is subject to such rules, regulations, or laws as may be applicable to similar agreements in this state and which may be applicable to the individual parties.

IN TESTIMONY WHEREOF witness the signatures of the parties as of the day and year first above written.

CITY OF MARION

Michael D. Alexander
MICHAEL D. ALEXANDER, MAYOR

ATTEST:

Ann R. Cooper
ANN R. COOPER

CRITTENDEN-LIVINGSTON COUNTY WATER DISTRICT

George J. Patma
Chairman

ATTEST:

U. B. Green
U. B. GREEN, SECRETARY

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

SEP 22 1974

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

BY [Signature]
[Illegible text]