

WATER PURCHASE CONTRACT

This CONTRACT for the sale and purchase of water is entered into as of the 12th day of February 1969, between the CITY OF WILLIAMSBURG, Williamsburg, Kentucky, hereinafter referred to as the "City", and CUMBERLAND FALLS HIGHWAY WATER DISTRICT, hereinafter referred to as the "District",

WITNESSETH

WHEREAS, the District has been organized and established under the provisions of KRS Chapter 74, for the purpose of construction 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

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

WHEREAS, a Resolution enacted on the 7th day of May, 1968, 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 execution of this contract carrying out the said Resolution by the Mayor and attested by the Clerk was duly authorized, and

WHEREAS, by Resolution of the Board of Commissioners, of the District, enacted on the 7 day of May, 1968, the purchase of the 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.

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and
B. JOHNSON, JR.
Attorneys at Law
Williamsburg,
Kentucky

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

a. 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 2, 000, 000 gallons per month).

2) (Point of Delivery and Pressure) That water will be furnished at a reasonably constant normal pressure calculated at 60 pounds per square inch from an existing six inch main supply at a point located near the northern City limits on U. S. 25-W and at 40 pounds per square inch from an existing six inch main supply at the existing storage on Mt. Morgan near the City limits on the west. 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 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) (Billing Procedure) To furnish the Chairman of the District at Williamsburg, Kentucky, not later than the 15th day of each month with an itemized statement of the amount of water furnished the District during the preceding month.

B. THE DISTRICT AGREES:

1) (Rates and Payment Date) To pay the City, not later than the 20th day of each month, for the delivered at a rate of a flat charge of

forty cents (\$0.40) per thousand (1,000) gallons.

2) (Metering Equipment) To furnish, install, operate and maintain at its own expense at point of delivery, the necessary metering equipment, including a meterhouse 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 City, but not more frequently than once every twelve (12) months. A meter registering not more than 2 per cent (2%) above or below the test result shall be deemed to be accurate.

3) (Sewer Charge Collection) In the event that the District shall subsequently construct sewer mains and facilities to serve its customers and these facilities should be connected to the City sewer system, then in that event the District shall pay to the City, not later than the 20th day of each month an amount equal to the then current sewer charge being charged in the City multiplied by the number of water customers served by the District.

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

1) (Term of Contract) That this contract shall extend for a term of sixty (60) years from the date of the initial delivery of any water as shown by the first bill submitted by the Seller to the Purchaser and, thereafter may be renewed or extended for such terms, or terms, as may be agreed upon by the Seller and Purchaser.

2) (Delivery of Water) That thirty (30) days 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.

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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 trace filling the system of the District during construction, irrespective of whether the metering equipment has been installed at that time at a flat charge of forty cents (\$0.40) per one thousand (1,000) gallons which will be paid by the contractor or, on his failure to pay, by the District.

4) (Limitations) It is mutually understood and agreed by and between the parties hereto that the first and primary obligation of the City is to furnish water to the City of Williamsburg, Kentucky. It is also agreed that the City will operate and maintain its system in a reasonably efficient manner and will take such reasonable action as may be necessary to furnish the purchaser with quantities of water required by the Purchaser. In the event of an emergency or shortage of water, the supply of water to the Purchaser shall be reduced or diminished proportionately as the supply to the City's consumers is reduced. Temporary or partial failures to deliver water shall be remedied as soon as reasonably possible.

5) (modification of Contract) That the provisions of this contract pertaining to the schedule of rates to be paid by the District for water delivered are subject to modification at the end of every five (5) years period. Any increase or decrease in rates shall be based on a demonstrable increase or decrease in the costs of performance hereunder, but such costs shall not include increased capitalization of the City system. 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

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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.

7) (Miscellaneous) That the construction of the water supply distribution system by the District is being financed by a loan and grant from the United States of America, acting through the Farmers Home Administration of the United States Department of Agriculture and the Economic Development Administration, and the provisions hereof pertaining to the undertakings of the District are conditioned upon the approval, in writing, of the Farmers Home Administration and Economic Development Administration. 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 the water shall be conditioned upon the prior approval, in writing of said agencies.

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 of the District hereunder.

IN WITNESS WHEREOF, the parties hereto acting under the authority of their respective governing bodies have caused this Contract to be duly executed in 6 counterparts, each of which shall constitute an original.

Attest:

Alma I. Early
Alma I. Early, Clerk

Attest:

Josephine Ellison
Josephine Ellison, Secretary

CITY OF WILLIAMSEURG

By Greer Burnette
Greer Burnette, Mayor

CUMBERLAND FALLS HIGHWAY
WATER DISTRICT

By W. B. Early, Jr.
W. B. Early, Jr.

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and
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Williamsburg,
Kentucky

This Contract is approved on behalf of the Farmers Home
Administration this 18th day of October, 1985

David R. King
State Director of _____

This Contract is approved on behalf of the Economic Development
Administration this _____ day of _____

(Title)

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and
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