

**WATER PURCHASE CONTRACT**

This contract for the sale and purchase of water is entered into as of the 8 day of January, 1998, between the Green River Valley Water District, Cave City, Kentucky, hereinafter referred to as the "Seller" and the Green-Taylor Water District, hereinafter referred to as the "Purchaser".

**WITNESSETH:**

Whereas, the Purchaser is organized and established under the provisions of Chapter 74 of the Code of 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 Purchaser and to accomplish this purpose, the Purchaser will require a supply of treated water, and

Whereas, the Seller owns and operates a water supply distribution system with a capacity currently capable of serving the present customers of the Seller's system and the estimated number of water 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, the Seller, Green River Valley Water District, approved this water purchase Contract on January 8<sup>th</sup>, 1998, by the Board of Commissioners, and authorized the Chairman and the Secretary, to execute the said Contract and

Whereas, by Resolution of the Commission of the Purchaser, duly enacted on the 3 day of March, 1998, the purchase

of water from the Seller 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,

A. The Seller Agrees:

1. (Quality and Quantity) To furnish the Purchaser at the point of delivery hereinafter specified, during the term this contract or any renewal or extension thereof, potable treated water meeting applicable purity standards of the Commonwealth of Kentucky in such quantity as may be required by the Purchaser not to exceed five million (5,000,000) gallons per month during period of regular usage, if available. The Seller does not guarantee 5,000,000 gallons per month to the Purchaser. The Seller shall have first priority to its water. However, the Seller has the right to restrict the quantity of water sold to Purchaser to an amount of not less than three million five hundred thousand (3,500,000) gallons per month.

2. (Point of Delivery and Pressure) That water will be furnished at a reasonably consistent pressure calculated at sixty (60) psi from an existing 6" main supply at a point located near the Hart-Green County line on state Route 88. If a greater pressure than that normally available at the point of delivery is required by the Purchaser, the cost of providing such greater pressure shall be borne by the Purchaser. Any emergency or

catastrophe so deemed by the Seller shall excuse the Seller 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 Purchaser and to calibrate such metering equipment whenever requested by the Purchaser but not more frequently than one 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 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 Seller and Purchaser shall agree upon a different amount. The metering equipment shall be read on the thirtieth day of each month. An appropriate official of the Purchaser at all reasonable times shall have access to the meter for the purpose of verifying its readings.

4. (Billing Procedure) To furnish the Purchaser at the above address not later than the 5th day of each month, with

an itemized statement of the amount of water furnished the Purchaser during the preceding month.

B. The Purchaser Agrees:

1. (Rates and Payment Date) To pay the Seller, not later than the 10th day of each month, for water delivered in accordance with the following schedule of rates:

a. one dollar and eighteen cents (\$1.18) for the first thousand (1,000) gallons, which amount shall also be the minimum rate per month.

b. one dollar and eighteen (\$1.18) cents per thousand (1000) gallons for water in excess of one thousand (1000) gallons.

C. It is further mutually agreed between the Seller and the Purchaser as follows:

1. (Term of Contract) That this contract shall extend for a term of forth (40) 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 term, or terms, as may be agreed upon by the Seller and Purchaser.

2. (Failure to Deliver) That the Seller 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 Purchaser with quantities of water required by the Purchaser, Temporary or partial failures to deliver water 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 water delivered are subject to modification at the end of every one (1) year period. The Seller shall determine the rate at its December meeting of each year, subject to approval by the Kentucky Public Service Commission and the Purchaser shall accept the said rate within thirty (30) days of the approval by the Kentucky Public Service Commission. If the parties cannot agree upon the rate, the Seller shall have the right to terminate this Agreement by written notification to the Purchaser. Other provisions of this contract may be modified or altered by mutual agreement.

4. (Regulatory Agencies) That this contract is subject to such rules, regulations, or laws as may be applicable to similar agreements in this State and the Seller and Purchaser will collaborate in obtaining such permits, certificates, or the like, as may be required to comply therewith.

5. (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.

In witness, 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.

Seller:

Green River Valley Water District

By: Daniel T. Cunditt

Title: Chairman

Attest:

Ray Branstetter  
Asst. Secretary

Purchaser:

Green-Taylor Water District

By: Wm Aetherland

Title: Chairman

Attest:

Wm Mitchell  
Secretary

This contract is approved on behalf of the Farmers Home  
Administration this \_\_\_\_\_ day of \_\_\_\_\_, 1998.

By: \_\_\_\_\_

Title: \_\_\_\_\_