

## WATER PURCHASE CONTRACT

THIS WATER PURCHASE CONTRACT is made and entered into this 8TH day of FEBRUARY, 2001, by and between the North Marshall Water District, Marshall County Kentucky, and the Board of Public Utility Commissioners of the City of Calvert City, Kentucky.

### WITNESSETH:

WHEREAS, the North Marshall Water District owns, operates, and maintains a water supply distribution system with current capacity capable of serving its present customers and estimated future growth; and

WHEREAS, the Board of Public Utility Commissioners of the City of Calvert City, hereinafter referred to as the "City", desires to supplement its existing system with an emergency source of water due to its large industrial users' critical need for uninterrupted water service; and

WHEREAS, the District and the City entered into an agreement for water purchase at a joint meeting of the District's Board of Commissioners and the City's Mayor and Commissioners Board of Public Utility, held on June 2, 1986; and

WHEREAS, the North Marshall Water District received a rate increase from the Public Service Commission, effective June 17, 1994, which calls for the District to execute new maintenance agreements with its wholesale water customers.

NOW, THEREFORE IN CONSIDERATION OF THE FOREGOING and the mutual agreements hereinafter set forth,

A. EACH PARTY AGREES:

1. Quality and Quantity. To furnish at a 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 Kentucky Division of Water in such quantity as may be required, not to exceed 500 gallons per minute. The user shall notify the supplier in advance of its intent to procure water from the supplier under the provisions of this agreement.

2. Point of Delivery and Pressure. That water will be furnished at a reasonably constant pressure from the supplier. The point of delivery shall be the Booster Pump Station located at the intersection of U.S. Highway 24 and State Highway 62 next to Calvert City Travel Plaza. Emergency failures of pressure or supply due to main line breaks, power failures, flood, fire, use of water to fight fire, earthquake or other catastrophe shall excuse each party from this provision for such period of time as shall be necessary to restore the service.

3. **Metering Equipment.** The District will install the distribution line to and the fittings, meter and building required for connection to the City's distribution line, which will be on the outlet side of the meter. Each District will retain ownership of the lines and equipment that they installed, and be responsible for the maintenance on said lines and equipment. The metering equipment will be tested, but not more frequently than once every twelve (12) months, at no expense to the City. A meter registering no more than two percent (2%) above or below the test shall be deemed to be accurate. If any meter fails to register for any period, the amount of water furnished will correspond with the period immediately prior to the failure, unless both parties shall agree upon a different amount.

4. **Billing Procedures.** The meter shall be read between the 1<sup>st</sup> and 5<sup>th</sup> of each billing month by a representative of the party furnishing water to the other, and if a representative of the receiving party wishes to be present at the time the meter is read, it shall let the other party know by the 30<sup>th</sup> of the preceding month. The party furnishing water shall provide the other an itemized statement of the amount of water used during the receding billing period.

5. **Rates and Payment Date.** The City agrees to pay no later than the 10<sup>th</sup> day of the following month, for water delivered in accordance with this agreement. The charges will include the bimonthly customer charge for a 4 inch meter (\$96.76) plus \$1.92 per thousand gallons furnished. This rate structure is adjustable based on future general rate increases approved by the Public Service Commission. There shall be no minimum rate when water is not being used.

The District agrees to pay meter and water charges to the City in accordance with the standard billing methods and practices used by the City for its other customers.

B. IT IS FURTHER MUTUALLY AGREED BETWEEN BOTH PARTIES AS FOLLOWS:

1. **Term of Contract.** That this contract shall extend for a term of five (5) years from the date of the signing of this contract and thereafter may be renewed or extended for such term or terms as may be agreed upon by both parties.

2. **Modification or Contract.** The provisions of this contract pertaining to the schedule of rates to be paid by either party for water delivered are subject to modification at the end of every one (1) year period. Any increase or decrease in rates by the City shall be approved by the City Council. All other provision of this contract may be modified or altered by mutual agreement.

3. **Termination Provision.** Each party reserves the right to terminate this contract upon giving written notice 90 days in advance of the date of termination. Notice of termination

shall be in writing sent to the Chairman of the District's Board of Commissioners or the Mayor of the City.

4. Regulatory Agencies. This contract is subject to all rules, regulations and laws as may be applicable to similar agreements in its State.

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.

NORTH MARSHALL WATER DISTRICT

BY: B. W. Darnell  
B. W. DARNELL, CHAIRMAN

ATTEST:

Bobby Sirls  
BOBBY SIRLS, MANAGER

CALVERT CITY BOARD OF PUBLIC  
UTILITY COMMISSIONERS

BY: Donald R. Hise  
DON HISE, CHAIRMAN

ATTEST:

Jerry Devine  
JERRY DEVINE, SUPERINTENDENT