

**WATER PURCHASE CONTRACT**

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**THIS WATER PURCHASE CONTRACT** is made and entered into this 17 day of April, 2017, by and between the North Marshall Water District, Marshall County Kentucky, and the Board of Public Utilities and the Mayor of the City of Grand Rivers, Kentucky.

**WITNESSETH:**

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

WHEREAS, the Board of Public Utilities and the Mayor of the City of Grand Rivers, hereinafter referred to as the "City", desires to purchase water and

WHEREAS, the District's Board of Commissioners and the City's Mayor and Board of Public Utilities agreed to enter into a WATER PURCHASE CONTRACT.

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, at a minimum rate of 200 gallons per minutes and a maximum rate of 500 gallons per minute. The user agrees to purchase 1,000,000 gallons of water monthly until such time as the user's SCADA equipment is installed to monitor the flow of water between the parties' connection and the pump station servicing the connection to the user is updated with new pumps. Thereafter, the user agrees to purchase 2,000,000 gallons of water monthly, or 24,000,000 gallons per year on a 2 year average, 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 Meter located on TVA property east of Kentucky Dam just off US Hwy 641 North.  
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

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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. The City reserves the right to place a generator transfer switch on the new pump station that services the connection.

4. Billing Procedures. The meter shall be read between the 1<sup>st</sup> and 10<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 and 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 be \$2.50 per thousand gallons furnished. This rate structure is adjustable based on future general rate increases approved by the Public Service Commission.  
If the District purchases water from the City, the District agrees to pay water charges to the City in the amount of \$2.58 per thousand Gallons

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

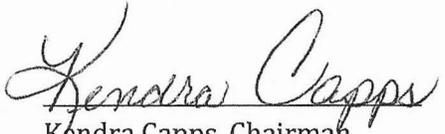
1. Terms of Contract. That this contract shall extend for a term of five (5) years from the date of the signing of this contract and thereafter may be renewed or extended for such term or terms as may be agreed upon by both parties.
2. Modification of Contract. The provisions of this contract pertaining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

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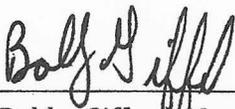
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IN WITNESS WHEREOF, the parties hereto, acting under authority of their respective governing bodies, have caused this contract to be duly executed in three counterparts, each of which shall constitute an original.

NORTH MARSHALL WATER DISTRICT

  
Kendra Capps, Chairman

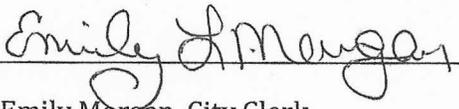
ATTEST:

  
Bobby Gifford, Manager

CITY OF GRAND RIVERS

  
B. Tom Moodie, Mayor

ATTEST:

  
Emily Morgan, City Clerk

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