

**WATER SUPPLY CONTRACT AGREEMENT**

**BETWEEN THE**

**SHELBYVILLE MUNICIPAL WATER & SEWER COMMISSION**

**AND**

**U.S. 60 WATER DISTRICT OF SHELBY AND FRANKLIN COUNTIES, KENTUCKY**

This AGREEMENT made and entered into this the 2<sup>ND</sup> day of JAN., 2013, by and between the **SHELBYVILLE MUNICIPAL WATER & SEWER COMMISSION**, a governmental agency of the City of Shelbyville, Kentucky, having the powers granted by the Kentucky Revised Statutes, hereinafter referred to as the 'COMMISSION', and the **U.S. 60 WATER DISTRICT OF SHELBY AND FRANKLIN COUNTIES, KENTUCKY**, a water district created and existing under the Laws of the State of Kentucky, hereinafter referred to as the "DISTRICT" ;

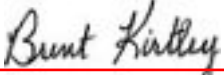
WITNESSETH: That the parties hereto, in consideration of the mutual duties and obligations herein created, have, and do so agree as follows:

1. The Commission will sell to the District potable treated water meeting applicable Standards of the appropriate regulatory agency(s) (presently known as the Kentucky Department for Natural Resources and Environmental Protection) in such quantity and at such pressure as the "COMMISSION" may have in its main at the service connection at the time of use, subject to the capacity and ability of the "COMMISSION'S" system and facilities to furnish water to the "COMMISSION'S" existing customers.
2. The "COMMISSION" is obligated to make water available to the facilities of the "DISTRICT" under the terms of this AGREEMENT.
3. The "COMMISSION" under this AGREEMENT has, and assumes no obligation whatever to furnish satisfactory quantity or pressure for any particular service, such as irrigation, fire protection, industrial, or commercial use.
4. It is the intention of this "AGREEMENT" that the 'COMMISSION' will be a reliable, alternate supplier of water to the "DISTRICT", and that the "DISTRICT" will be a reliable alternate purchaser of water from the "COMMISSION". There is no present maximum purchase limit under this AGREEMENT, it being the intention of the Parties that the "DISTRICT" may continue to increase its purchases under the AGREEMENT until such time that the capacity of the "COMMISSION'S" system can no longer reasonably supply the needs of the "COMMISSION'S" then existing customers plus an increase in the "DI" sumption. at that time the "COMMISSION" will notify the "DISTRICT" that the "DI" thereafter have a maximum annual contractual limit equal to the amount purchased by the

KENTUCKY  
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JEFFERSON  
EXECUTIVE DIRECTOR  
TARIFF BRANCH  
Brent Kirtley  
EXECUTIVE  
2/7/2013  
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“DISTRICT” during the previous calendar year. The “COMMISSION” will reasonably notify the “DISTRICT” when the “COMMISSION” anticipates that a future limitation is likely to be imposed. The “DISTRICT” will keep the “COMMISSION” reasonably advised of all proposed significant extensions or other future planned events which are likely to significantly affect the “DISTRICT’S” level of water purchases from the “COMMISSION”.

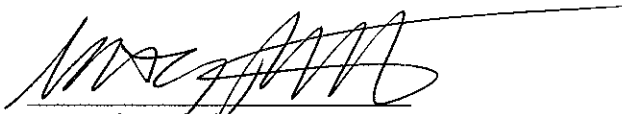
5. The “DISTRICT” shall at all times pay the rates and charges for water as exist at the time of delivery under the then existing published rates, rules and regulations of the “Commission”.
6. The water shall be furnished by the “COMMISSION” through a meter or meters of the size and type specified by the “COMMISSION” which shall be installed by the “COMMISSION” and paid for by the “DISTRICT” and located at such point, or points as the “COMMISSION” shall designate at its main. The “COMMISSION” shall have the right to inspect and test said meter or meters at any and all times. In the event any meter test, whether initiated by the COMMISSION” or by the “DISTRICT”, discloses any error, the amount payable for water delivered shall be adjusted so as to compensate for the error.
7. The obligation of the “COMMISSION” to supply water hereunder is limited by the understanding that the “COMMISSION” shall only be required to use reasonable care and diligence in the operation and maintenance of its water supply system to prevent and avoid interruptions and fluctuations in the supply, and that it cannot and does not guarantee that such interruptions and fluctuation will not occur, moreover, because of emergencies due to breaks, leaks, defects, or necessary repairs to its facilities, or fires, strikes, acts of God or other causes, there may be periods during which the supply may be curtailed or interrupted. Emergency failures of pressure or supply due to main supply line breaks, power failure, flood, fire and use of water to fight fire/s . earthquake, or other catastrophe shall excuse the “COMMISSION” from its supply obligations under this Agreement for such reasonable period of time as may be necessary to restore service. Temporary failures to deliver water shall be remedied with all dispatch. In the event of an extended shortage of water, or the supply of water available to the “COMMISSION” is otherwise diminished over an extended period of time, the supply of water to the “DISTRICT” shall be reduced or diminished in the same ration or proportion as the supply to the “COMMISSION’S” other customers is reduced or diminished, and shall comply with the “COMMISSION’S” ordinances for WATER SHORTAGE REGULATIONS, AND WATER RATIONING GUIDELINES.
8. The present published Rates, Rules, and Regulations of the “COMMISSON” relating to water service are attached and made part of this Agreement. The “DISTRICT’S” present rate is \$1.765/1,000 gallons. The "District" shall pay an increased rate of the same percentage increase(s) that the Commission may, from time to time, during the term of this Agreement impose on Inside City Customers, but in no event shall the "DISTRICT'S" rate be higher than the lowest rate charged to the Inside City Customers.
9. It is further mutually agreed and understood by and between the parties hereto that this contract shall run for a period of twenty (20) years from the date of execution and ~~shall~~ <sup>only as specified in</sup> the first paragraph of this AGEEMENT and thereafter may be reviewed or extended for such term/s as may be agreed upon by the two parties.

<b>KENTUCKY PUBLIC SERVICE COMMISSION</b>
<b>only as specified in EXECUTIVE DIRECTOR</b>
<b>TARIFF BRANCH</b>

<b>EFFECTIVE 2/7/2013</b>
<b>PURSUANT TO 807 KAR 5:011 SECTION 9 (1)</b>


10. Any successor of the "COMMISSION" or the "DISTRICT", whether the result of legal process, assignment, or otherwise, shall succeed to the rights and obligations of the "COMMISSION" or the "DISTRICT" hereunder.
11. There is no minimum purchase amount at this time.
12. In the event the "COMMISSION" fails to abide by this agreement, and/or fails to abide by its Rates, Rules, Regulations, then this AGREEMENT may be terminated by the "DISTRICT" prior to its expiration upon written notice to the "COMMISSION".
13. In the event the "DISTRICT" fails to abide by this agreement, and/or fails to abide by its Rates, Rules, Regulations, then this AGREEMENT may be terminated by the "COMMISSION" prior to its expiration upon written notice to the "COMMISSION".
14. This AGREEMENT replaces all previous or existing Agreements between these parties and constitutes the sole and complete agreement as to the sale, provision, and purchase of water.

IN TESTIMONY WHEREOF, the parties hereto have caused this Agreement to be executed by its duly authorized officer/s on this the 2<sup>ND</sup> day JAN. month 2013 year.

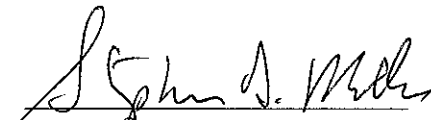
ATTEST:

  
 Vice Chairperson

SHELBYVILLE MUNICIPAL WATER  
 AND SEWER COMMISSION

BY:   
 Chairperson

ATTEST:

  
 Secretary

U.S. 60 WATER DISTRICT OF  
 SHELBY & FRANKLIN COUNTIES, KY

BY:   
 Chairperson

<b>KENTUCKY          PUBLIC SERVICE COMMISSION</b>
<b>JEFF R. DEROUEN          EXECUTIVE DIRECTOR</b>
TARIFF BRANCH  
EFFECTIVE <b>2/7/2013</b> PURSUANT TO 807 KAR 5:011 SECTION 9 (1)