

WATER PURCHASE CONTRACT

This contract for the sale and purchase of water is entered as of the 12th day of July, 1988 between the City of Russell Springs, Kentucky, City Hall, Russell Springs, Kentucky, 42642, hereinafter referred to as the "Seller" and the Adair County Water District, Columbia, Kentucky, 42728, hereinafter referred to as the "Purchaser".

WITNESSETH:

Whereas, the Purchaser is organized and established under the provisions of Kentucky Revised Statutes and owns and operates within the County and other areas and 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 gallons to be served by the said Purchaser as shown herein, and

Whereas, by Resolution of City Council enacted on the 12th day of July, 1988, by the Seller, the sale of water to the Purchaser in accordance with the provisions of the said Resolution by the Mayor and attested by the City Clerk, was duly authorized, and

Whereas, by Resolution of the Adair County Water District, enacted on the 13th day of July, 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, 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 of this contract or any renewal or extension thereof, potable treated water meeting applicable purity standards of the proper regulatory agency in such quantity as may be required by the Purchaser not to exceed 100,000 gallons per day at the present time but when Seller increases its capacity this may be increased by mutual consent.

2. (Point of Delivery and Pressure) That water will be furnished at a reasonably constant pressure calculated at 75 lbs. psi from an existing 6 inch main supply at a point located on Ky. 80 at or near the Adair/Russell line. If a lesser pressure than that normally available at the point of delivery is required by the Purchaser, the cost of providing such lesser pressure shall be borne by the Purchaser. If the Purchaser requires lesser pressure, they shall provide the necessary equipment to reduce pressure. Emergency failures of pressure or supply due to main supply line breaks, power failure, flood, fire and use of water to fight fire, earthquake, or other catastrophe shall excuse the Seller from this provision for such reasonable period of time as may be necessary to restore service.

3. (Metering Equipment) Purchaser shall 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 Seller. A meter registering not more than two (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 two(2) 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 same 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 regular reading dates. An appropriate official of the Purchaser and Seller at all reasonable times shall have access to the meter for the purpose of verifying its readings. The cost of the metering equipment shall be paid for by the Purchaser.

4. (Bill 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 15th day of each month, for water delivered in accordance with the following schedule of rates; with failure to make said payment to cause the penalty to be imposed as on all users for late payment of 10% of total amount of bill. The rate shall be at the rate of .96¢/

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one thousand gallons for the Seller having the right to increase this rate if the cost of producing its water increases. Said increase to be in proportion to the percentage of increase of the total cost. Purchaser shall be in proportion to the percentage of increase of the total cost. Purchaser shall be required to pay a minimum bill for 100,000 gallons per day whether or not that amount is used.

2. To show location and size of proposed pipelines and appurtenances, and shall pay all costs of material and installation, including paralleling or replacing Seller water line in order to tie into a main of sufficient size.

3. To maintain all lines and appurtenances from the master meter which shall be placed in or near City limits of Seller, throughout the Purchaser's distribution system.

4. To do all sampling throughout its system as required by the proper regulatory agency and to install chlorine booster if needed.

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 one (1) year from the date of the initial delivery of any water as shown by the first bill submitted by the Seller to the Purchaser.

2. (Delivery of Water) Shall be as soon as possible and when all lines are in place.

3. (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. In the event of an extended shortage of water, or the supply of water available to the Seller is otherwise diminished over an extended period of time, the supply to Purchaser's consumers shall be reduced or diminished in the same ratio or proportion as the supply to the Seller's consumers is reduced or diminished, or in accordance with regulations of the appropriate regulatory agency. Provided, however, if the Seller determines it cannot supply water to the Purchaser, the supply will be disconnected, with a six (6) month notice given prior to that time.

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 whereof, the parties hereto, acting under authority of their respective governing bodies, have caused this contract to be duly executed in two (2) counterparts, each of which shall constitute an original.

Approved by City Council of Russell Springs, Kentucky

PUBLIC SERVICE COMMISSION ON  
SEP 1988

FORSEY, JAMES W. 5011,  
PUBLIC SERVICE COMMISSION MANAGER

James E. Smith  
Judy K. Stottmeyer  
Alvin H. Fitch  
Ronald H. Smith  
Anton A. Bottom  
Kinston Grier

City Council Members

ATTEST:

Howard Black  
City Clerk

Seller:

City of Russell Springs Ky.  
By Frank S. Water

Title Mayor

Approved by Adair County Water District Members

Bill Hager  
Bowling  
Alvin Hays  
Wm. W. Baker  
Sammy Baker

Purchaser:

Adair County Water District  
By Wm. W. Baker

Title Chairman

PUBLIC SERVICE COMMISSION  
KENTUCKY  
7-1-88

SEP 1988

FRANK S. WATER  
MAYOR  
CITY OF RUSSELL SPRINGS, KY.  
PUBLIC SERVICE COMMISSION  
KENTUCKY  
7-1-88

ATTEST:

Martha C. Bell

This contract is approved this 12<sup>th</sup> day of July, 1988.

Approved on behalf of Farmers  
Home Administration on this  
24<sup>th</sup> day of August, 1988

By: Jane A. Lettner  
(Title)

Community & Business Programs Specialist