

WATER PURCHASE CONTRACT

This contract for the sale and purchase of water is entered into as of the 15th day of May, 1968, between the City Utilities Commission of Corbin, Kentucky, hereinafter referred to as the "City", and Cumberland Falls Highway Water District, hereinafter referred to as the "District",

WITNESSETH

WHEREAS, the District has been organized and established under the provisions of KRS Chapter 74, for the purpose of construction and operating a water supply distribution system serving water users within the area described in plans now on file in the office of the District and to accomplish this purpose, the District will require a supply of treated water and

WHEREAS, the City owns and operates a water supply distribution system with a capacity currently capable of serving the present customers of the City system and the estimated number of water users to be served by the said District as shown in the plans of the system now on file in the office of the District, and

WHEREAS, by a Resolution enacted on the 14th day of May, 1968, by the Commissioners of the City, the sale of water to the District in accordance with the provisions of the said Resolution was approved, and execution of this contract carrying out the said Resolution by the Chairman and attested by the Secretary was duly authorized, and

WHEREAS, by Resolution of the Board of Commissioners of the District, enacted on the 14th day of May, 1968, the purchase of water from the City in accordance with the terms set forth in said Resolution was approved, and the execution of this contract by the Chairman, and attested by the Secretary was duly authorized;

A. JOHNSON
and
J. JOHNSON, JR.
Attorneys at Law
Corbin, Kentucky

PUBLIC SERVICE COMMISSION
OFFICE OF THE SECRETARY
COLUMBIANA, KENTUCKY

SEP 18 1968

PUBLIC SERVICE COMMISSION

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PUBLIC SERVICE COMMISSION MANAGER U 1300

NOW, THEREFORE, in consideration of the foregoing and the mutual agreements hereinafter set forth,

A. THE CITY AGREES:

1) (Quality and Quantity) To furnish the District, 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 State Board of Health in such quantity as may be required by the District (not to exceed one million (1,000,000) gallons per month without the consent or acquiescence of the City)

2) (Point of Delivery and Pressure) That water will be furnished at a reasonably constant normal pressure from an existing 8 inch main supply at a point located at the intersection of U. S. 25-W and Ky 727. If a greater pressure than that normally available at the point of delivery is required by the District, the cost of providing such greater pressure shall be borne by the District. Emergency failures of pressure or supply line breaks, power failure, flood, fire and use of water to fight fire, earthquake or other catastrophe shall excuse the City from this provision for such reasonable period time as may be necessary to restore service.

3) (Billing Procedure) To furnish the Chairman of the District at Williamsburg, Kentucky, not later than the 15th day of the month with an itemized statement of the amount of water furnished the District during the preceding month.

B. THE DISTRICT AGREES:

1) (Rates and Payment Date) To pay the City, not later than the 20th day of each month, for the water delivered at the following rate:

First 1000 Gals	\$2.50
Next 1000	.80
Next 1000	.60
Next 7000	.50
Next 90,000	.40
Over 100,000	.30
Minimum charge per month	\$2.50

PUBLIC SERVICE COMMISSION
OF KENTUCKY
T. S. GIBBS

SEP 18 1933

THROUGH THE CITY MANAGER
WILLIAMSBURG, KY

[Signature]
PUBLIC SERVICE COMMISSION MANAGER

B. JOHNSON
and
JOHNSON, JR.
Attorneys at Law
Williamsburg,
Kentucky

*See
Addendum
#1*

2) (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 District and to calibrate such metering equipment whenever requested by the City, but not more frequently than once every twelve (12) months. A meter registering not more than two per cent (2%) above or below the test result shall be deemed to be accurate. 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 City and District shall agree upon a different amount. The metering equipment shall be read once each month.

C. IT IS FURTHER MUTUALLY AGREED BETWEEN THE CITY AND THE DISTRICT AS FOLLOWS:

1) (Term of Contract) That this contract shall extend for a term of ten (10) years from the date of the initial delivery of any water by the City to the District and, thereafter may be renewed or extended for such term, or terms, as may be agreed upon by the City and District.

2) (Delivery of Water) That thirty (30) days prior to the estimated date of completion of construction of the District's water supply distribution system, the District will notify the City in writing the date of the initial delivery water.

3) (Water for Testing) When requested by the District, the City will make available to the contractor at the point of delivery, or other point reasonably close thereto, water sufficient for testing, flushing, and trace filling the system of the District during construction, irrespective of whether the metering system has been installed at that time at a flat charge of forty cents (\$0.40) per one thousand gallons which will be paid by the contractor or, on his failure to pay, by the District.

See
addendum #2
paragraph B

4) (Limitations) It is mutually understood and agreed by and between the parties hereto that the first and primary obligation of the City is to furnish water to the City of Corbin, Kentucky, and that any time and in any event that the City could not furnish water to satisfy its own customers and the District also, the City has the right and privilege to restrict or discontinue the furnishing of water to the District. The City shall not be responsible for failure to furnish water at any time for any cause beyond its control.

5) (Modification of Contract) The rates herein mentioned are to remain in full force and effect for the term of this contract EXCEPT in case of unusual or unforeseen events which would cause the cost of production to the City to be materially increased. In such event the City would have the right and privilege to recalculate the rate on the furnishing of this water so as to prevent there being any loss to the City.

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

7) (Miscellaneous) That the construction of the water supply distribution system by the District is being financed by a loan and grant from the United States of America, acting through the Farmers Home Administration of the United States Department of Agriculture and the Economic Development Administration, and the provisions hereof pertaining to the undertakings of the District are conditioned upon the approval in writing, of the Farmers Home Administration and Economic Development Administration. Similarly, any modification of the provisions of this contract, including any increase in the schedule of rates to be paid by the District for the delivery of the water shall be conditioned upon the prior approval, in writing of the said agencies.

A. B. JOHNSON
and
E. JOHNSON, JR.
Attorneys at Law
Williamstown,
Kentucky

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PUBLIC SERVICE COMMISSION
OF KENTUCKY
BY *[Signature]*
PUBLIC SERVICE COMMISSION MANAGER

8) (Successor to the District) That in the event of any occurrence rendering the District incapable of performing under this contract, any successor of the District, whether the result of legal process, assignment, or otherwise, shall succeed to the rights of the District hereunder.

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

UTILITIES COMMISSION OF CORBIN
KENTUCKY

Attest:

R. C. Green
Secretary

By Les Wyrick
Les Wyrick, Chairman

CUMBERLAND FALLS HIGHWAY
WATER DISTRICT

Attest:

Jessie Ellison
Secretary

By W. B. Early, Jr.
W. B. Early, Jr.
Chairman

This contract is approved on behalf of the Farmers Home
Administration this the _____ day of _____, 1968.

This contract is approved on behalf of the Economic Development
Administration this the _____ day of _____, 1968.

PUBLIC SERVICE COMMISSION
OF KENTUCKY

SEP 18 1968

FORWARDED TO THE
PUBLIC SERVICE COMMISSION
BY [Signature]
PUBLIC SERVICE COMMISSION MANAGER