

This contract for the sale and purchase of water is \$0.35

entered into as of the 21st day of August, 1972,

between the CITY OF LEITCHFIELD, Kentucky, City Hall, Leitchfield, Kentucky 42754, hereinafter referred to as the SELLER and the GRAYSON COUNTY WATER DISTRICT, c/o WARREN RECC, Leitchfield, Kentucky, 42754, hereinafter referred to as the PURCHASER,

WITNESSETH: Whereas, the Purchaser is organized and established under the provisions of the Kentucky Revised Statutes Chapter 74, for the purpose of constructing and operating a water supply distribution system serving water users within the area described in plans now on file in the office of the Purchaser and to accomplish this purpose, 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 water users to be served by the said Purchaser as shown in the plans of the system now on file in the office of the Purchaser, and

WHEREAS, by resolution enacted on the fifteenth day of May, 1972, by the Seller, the sale of water to the Purchaser in accordance with the provisions of the said resolution was approved, and the execution of this contract carried out the said resolution by the Mayor of the City of Leitchfield, and attested by the Clerk, was duly authorized, and

WHEREAS, by resolution of the Board of Commissioners of the Purchaser, enacted on the 21st day of August, 1972, 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, and attested by the Secretary was duly authorized;

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE

RECEIVED

SEP 02 1994

AUG 19 1994

PURSUANT TO 807 KAR 5.011, SECTION 9(1)

PUBLIC SERVICE COMMISSION

BY: [Signature] FOR THE PUBLIC SERVICE COMMISSION

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

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 Kentucky Department of Health in such quantity as may be required by the Purchaser not to exceed 8,000,000 gallons per month.

2. (Point of Delivery and Pressure) That water will be furnished at a reasonably constant pressure calculated as is presently available from existing mains at points shown on plans of the Purchaser on file at the Purchaser's office.

If a greater pressure than that normally available at the point of delivery is required by the Purchaser, the cost of providing such greater pressure shall be borne by the Purchaser. 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. (Billing Procedure) To furnish the Purchaser at the above address not later than fifteen (15) days after each month's meter reading (s), 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, monthly, as billed, for water delivered at the flat rate of 35 cents per 1,000 gallons of water used.

2. (Connection Fee) To pay as an agreed cost, a connection fee to connect the Seller's system with the system of the Purchaser, the sum of one dollars (\$1.00) which shall cover any and all costs of the Seller for inspection of Purchaser's

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

SEP 02 1994

PURSUANT TO 807 KAR 5.011,
SECTION 9(1)

BY: *[Signature]*
FOR THE DIRECTOR

metering equipment and,

3. (Metering Equipment) To furnish, install, operate, and maintain at its own expense, at each point of connection to the Seller's system, an adequate compound water meter, registering in U. S. Gallons, with indicating and totalizing features, including line valves and a valved bypass, and suitable housing to protect against freezing and vandalism. The Purchaser further agrees to calibrate such metering equipment whenever requested by the Seller 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. The previous readings of any meter disclosed by test to be inaccurate shall be corrected for the twelve months previous to such test in accordance with the percentage of inaccuracy found by such test. If any meter fails to register for any period, the amount of water furnished during such period shall be deemed to the amount of water delivered in the corresponding period immediately prior to the failure, unless the Seller and Purchaser shall agree upon a different amount. The metering equipment shall be read on or about the same day each month. An appropriate official of the Seller at all reasonable times shall have access to the meter for the purpose of verifying its readings.

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 sixty (60) years from the date of the initial delivery of any water as shown by the first bill submitted by the Seller to the Purchaser and, thereafter may be renewed or extended for such term, or terms, as may be agreed upon the Seller and Purchaser.

2. (Delivery of Water) That thirty (30) days prior to the estimated date of completion of construction of the Purchaser's water supply distribution system, the Purchaser will notify

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

SEP 02 1994

PURSUANT TO 807 KAR 5.011,
SECTION 3(1)
BY: Jordan A. Steel
FOR THE PUBLIC SERVICE COMMISSION

the Seller in writing the date for the initial delivery of water.

3. (Water for testing) When requested by the Purchaser the Seller will make available to the contractor at the points of delivery, or other points reasonable close thereto, water sufficient for testing and flushing the Purchaser's mains, all such water to be metered through the Purchaser's water meter. Payment by the Purchaser for test water so used will be in accordance with the rate schedule as set forth in Paragraph B-1.

4. (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 contracted for 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 of water to Purchaser's consumers shall be reduced or diminished in the same ratio or proportion as the supply to Seller's consumers is reduced or diminished.

5. (Modification of Contract) That the provisions of this contract pertaining to the schedule of rates to be paid by the Purchaser for water delivered are subject to modification at the end of every three (3) year period. Any increase or decrease in rates shall be based on a demonstrable increase or decrease in the costs of performance hereunder, but such costs shall not include increased capitalization of the Seller's system. Other provisions of this contract may be modified or altered by mutual agreement

6. (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.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

SEP 02 1994

PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)

BY: *[Signature]*
FOR THE PUBLIC SERVICE COMMISSION

7. (Miscellaneous) That the construction of the water supply distribution system by the Purchaser is being financed by a loan made or insured by, and/or a grant from, the United States of America, acting through the Farmers Home Administration of the United States Department of Agriculture and the provisions hereof pertaining to the undertakings of the Purchaser are conditioned upon the approval, in writing, of the State Director of the Farmers Home Administration.

8. (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.

9. (Extensions to Purchaser's System) The Seller is to be kept informed of any new extensions or additions to the Purchaser's system.

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

SELLER:

CITY OF LEITCHFIELD, KENTUCKY

BY: James D. Buell Jr.
TITLE: MAYOR

ATTEST:

[Signature]
CLERK

PURCHASER:

GRAYSON COUNTY WATER DISTRICT

BY: [Signature]
TITLE: CHAIRMAN

ATTEST:

[Signature]
SECRETARY

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

7-17-84 5-7-78

SEP 02 1994

PURSUANT TO 807 KAR 5.011,
SECTION 9(1)

BY: [Signature]
FOR THE PUBLIC SERVICE COMMISSION

This Contract is approved on behalf of the Farmers
Home Administration this 17 day of July, 1972.

BY: John K. Burris
TITLE: State Director

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

SEP 02 1994

PURSUANT TO 807 KAR 5011,
SECTION 9(1)

BY: Arthur P. [unclear]
FOR THE PUBLIC SERVICE COMMISSION