

WATER PURCHASE CONTRACT

THIS WATER PURCHASE AGREEMENT made and entered into this the _____ day of _____, 1984, by and between the CITY OF VERSAILLES, a Kentucky Municipal Corporation, hereinafter referred to as the "CITY", and the SOUTH WOODFORD COUNTY WATER DISTRICT, hereinafter referred to as the "DISTRICT".

W I T N E S S E T H:

WHEREAS, on May 17, 1966, the parties hereto entered into an Agreement whereby the District agreed to purchase water from the City and the City agreed to sell water to the District; and

WHEREAS, the parties further entered into a Water Purchase Contract Addendum (Addendum No. 1) on April 3, 1979; and

WHEREAS, the District has applied for an additional loan from (or a loan insured by) the United States of America, acting through the Farmers Home Administration; and

WHEREAS, the Farmers Home Administration requires the water purchase contract provide a specified minimum quantity of water to be supplied, that the term of such contract be for a least forty (40) years, being the term of the loan and that the contract be pledged as additional security for said loan, if any; and

WHEREAS, the term of the water purchase contract dated May 17, 1966, was for a term of forty (40) years and said term expires May 16, 2006; and

WHEREAS, the parties desire to enter into a new Water Purchase Contract which shall terminate and supersede all previous Contracts, Contract Addendums, and Agreements heretobefore made between the parties hereto,

NOW, THEREFORE, in consideration of the foregoing and ^{EFFECTIVE} covenants and agreements hereinafter set forth:

A. The City Agrees:

1. (Quality and Quantity) to furnish the District at the point of delivery as hereinafter specified, during the term of this contract or any renewal or extension thereof, potable treated water meeting applicable purity standards of the Commonwealth of Kentucky Division of Water Quality in such quantity as may be required by the District not to exceed 7.5 million gallons

PUBLIC SERVICE COMMISSION OF KENTUCKY

EFFECTIVE

OCT 14 1984

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

BY: James B. Neal FOR THE DISTRICT

per month. The City agrees to furnish the District an additional 2.5 million gallons of water per month upon the City acquiring an additional source of water or the expansion of the City water plant(s). Thereby, making the City obligated to serve the district no more than 10 million gallons of water per month. In the event the district demands exceed the demand as set forth in this contract, the District agrees to give the City the first option to furnish the District its additional water needs before the District seeks an alternate source of water.

2. (Point of Delivery and Pressure) That water will be furnished at a reasonable constant pressure of PSI at the present main supply point located on Kentucky Highway 33 about one mile south of Versailles. 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 failure of pressure or supply due to main supply line breaks, power failure, flood, fire and use of water to fight fire, or other catastrophe shall excuse the City from this provision for such reasonable period of time as may be necessary to restore service.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

OCT 14 1994

3. (Metering Equipment) To furnish, install, maintain as its own expense at the 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 District but not more frequently than once every twelve (12) months. A meter registering not more than two percent (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 to the last calibration, or for the six (6) months previous to such test, whichever is the lesser, 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 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 not later than the 20th day of each month.

PURSUANT TO 2007 KAR 501,
SECTION 9(1)
BY: *Jordan C. Bell*
FOR THE PIP

4. (Billing Procedure) The City agrees to furnish the Treasurer of the District, at his current address, or as may be hereafter requested by the

District, not later than the 5th day of each month, with an itemized statement of the amount of water furnished the District during the preceding month.

B. The Purchaser Agrees:

1. The District agrees to pay to the City, not later than the 15th day of each month, for water delivered to the District, those charges made for water delivered at the rates as provided by the schedule and tariff attached hereto marked Exhibit "A".

From time to time the applicable rates and tariff schedule (Exhibit "A") for the sale of water may be amended by ordinance by the City of Versailles. Unless otherwise provided by ordinance, the amended rates and tariff schedule shall be immediately applicable and enforceable upon ordinance adoption.

If the District, for any reason, shall fail to pay the City the amount due for water delivered on the rates and tariff schedule (Exhibit "A"), or amended rates and tariff schedule as adopted by the City of Versailles by ordinance, the City may immediately terminate water service to the District and pursue, at its election, all other remedies available at law or in equity, without notice or delay.

If the City institutes, or in the opinion of its attorneys, is required to participate in legal proceedings for the collection of any sums due for water delivered under rates and tariff as shown in Exhibit "A", or any amendments thereto, then the District agrees it shall reimburse the City for all expenses incurred relating thereto, including reasonable attorneys fees.

2. The District agrees to construct, install and thereafter maintain, wholly financed by funds of the District, such water mains, service lines, meters and facilities within the boundaries of the District as the District finds to be advisable. Such installations shall conform to sound engineering principles and shall comply with all applicable requirements of the Kentucky Public Service Commission or any other agency or department of the Commonwealth of Kentucky.

3. The District agrees to exclusively purchase 7.5 million gallons of water during the entire term of this Contract, renewals, or extensions thereof. Should the District purchase water or acquire water from a source other than the City, it shall be required to take the minimum of 7.5 million gallons per month.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

OCT 14 1994

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

BY: Jordan C. Paul
FOR THE PUBLIC SERVICE COMMISSION

4. The District agrees to abide by all regulations and limitations which the City may impose upon its regular customers in the event of a declared water shortage by the Mayor of the City, and the District will cooperate with the City in the enforcement of same.

C. IT IS MUTUALLY AGREED BY THE PARTIES:

1. That the City will, at all times, operate and maintain its systems in an efficient manner and will take such action as may be necessary to furnish the District with such quantities of water as may be required by it, subject, however, to the limitations imposed under Paragraph A(1), page 1, of this Agreement. Temporary or partial failures to deliver water shall be remedied with all possible dispatch. In the event of any extended shortage of water, or if the supply of water available to the City is otherwise diminished over an extended period of time, the City shall have the right to require consumers in the District to observe the same restrictions upon use or temporary interruption of service as is required for its own customers. The City agrees 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.

2. The District shall not sell or deliver any water other than to its regular, metered customers without the written consent of the City. The sale of water for resale, or for delivery by truck or otherwise except through the District's distribution system is hereby prohibited.

3. (Water Rate Structure and Modification of Water Rate) The Purchaser shall pay for water delivered based on the "Inside City Non-Profit User" water rate. The current schedule is hereby attached to this contract and marked Exhibit "A" and is made a part of this contract as if fully set out herein. The water rates are subject to modification by the City. Any modification of water rates, which effect the purchaser, shall become effective upon their enactment by the City. Should the City eliminate the category of "Inside City Non-Profit User", the Purchaser shall be charged the lowest inside City water rate for a bulk water user.

4. It is understood by the parties hereto that the District intends to, and does by the execution of this Agreement to the

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

OCT 14 1994

PURSUANT TO 807 KAR 5.011,
SECTION 9(1)

BY: Judson C. Reed
FOR THE PUBLIC SERVICE COMMISSION

Farmers Home Administration as security for the repayment of all indebtedness currently owed it, and/or any additional loans hereinafter obtained from it.

5. The term of this Contract shall be for a period of forty years from the date hereof, unless further extended or renewed by agreement, in writing, between the parties.

6. Any successor to any party hereto shall succeed to the obligations, rights and duties of its predecessor as set forth in this Contract or any amendments, whether the result of legal process, assignment or otherwise.

IN WITNESS WHEREOF, the parties hereto, acting under authority of their respective governing bodies, have caused this Contract to be duly executed in five (5) counterparts, each of which shall constitute an original.

ATTEST:

CITY OF VERSAILLES

Reata B. Buffin
CITY CLERK

BY: *Paul W. Noel*
MAYOR

ATTEST:

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

SOUTH WOODFORD WATER DISTRICT

BY: *Cliff McCombs, Pres.*

CCT 14 1994

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

BY: *Reata B. Buffin*
PUBLIC SERVICE COMMISSION

Lewis Dutton, Sec.
Paul W. Noel, Clerk