

DECEMBER 1, 1964

The Common Council of the City of Danville, Kentucky convened in adjourned regular session in the City Hall of said City on the 1st day of December, 1964 at the hour of 7:30 P. M..

Present were his Honor George R. Davis, Mayor pro-tem, in the chair presiding and the following named members of the Common Council: Perry Hawn, James Jackson, Arnold Gregory, Dewey Stuart, Arthur Robinson, Fred Stone and E. K. Davis.

Absent: O. S. Williams, John Farmer, William Stagg and Manuel Abbott.

It having been determined that a quorum was present for the transaction of business, the Mayor pro-tem called the meeting to order.

The following Contract was presented and read to the Council:

This AGREEMENT made and entered into this 1st day of December, 1964, by and between the CITY OF DANVILLE, KENTUCKY, a Municipal Corporation of the Third Class, in Boyle County, Kentucky (hereinafter referred to as DANVILLE) and the PARKSVILLE WATER DISTRICT, a Water District Corporation as provided by Statute in the State of Kentucky in Boyle County, Kentucky (hereinafter referred to as THE DISTRICT).

W I T N E S S E T H:

For and in consideration of the mutual grants, promises, covenants and agreements hereinafter set forth, the parties agree as follows:

1. Danville shall sell to the District all of its needs for filtered water suitable for human consumption for a period of twenty years beginning July 1, 1965, and the District shall purchase all of its needs for filtered water suitable for human consumption for a period of twenty (20) years beginning July 1, 1965. The water sold and purchased under this agreement shall not be limited in amount. At the expiration of the twenty year term of this agreement the District shall have the option to extend the term thereof for an additional

twenty years, which option will be automatically exercised, by the District, unless the District shall, not less than ninety (90) days prior to the expiration of the first twenty year term, serve written notice by a registered mail upon the then Mayor of the City of Danville, Kentucky, of the District's intention not to exercise said option. Said option shall be on the same terms and conditions as this contract.

2. The rates which the District shall pay Danville for such water shall be calculated and payable monthly according to the following schedule, and there shall be added thereto a surcharge in the amount of twenty (20%) percent:

<u>QUANTITY:</u>	-	<u>RATE:</u>
First 200 cubic feet, per month	-	73¢ per 100 cubic feet
Next 300 cubic feet, per month	-	48¢ per 100 cubic feet
Next 500 cubic feet, per month	-	41¢ per 100 cubic feet
Next 1,000 cubic feet, per month	-	35¢ per 100 cubic feet
Next 1,000 cubic feet, per month	-	30¢ per 100 cubic feet
Next 1,000 cubic feet, per month	-	23¢ per 100 cubic feet
Next 4,000 to 50,000 cubic feet, per month	-	17¢ per 100 cubic feet
All over 50,000 cubic feet, per month	-	15¢ per 100 cubic feet

3. Payment for said water shall be monthly upon receipt of the bill therefor. If at any time during the term of this agreement, or during the term of this agreement as extended by the exercise of the option set forth in Paragraph 2, the rates for local commercial consumption within the City of Danville or charged to other municipalities, independent water districts or privately owned water companies are changed, either raised or lowered, the rate of charge to the District shall automatically be changed to conform to the local rates for commercial consumers within the City of Danville or charged to other municipalities, independent water districts or privately owned water companies, and the twenty (20%) percent surcharge as above described shall be added to the total bill under the new rates so established.

4. The water purchased and sold under this agreement will be delivered by Danville at the Western terminus of Danville's line near the Corning Glass Plant, or at such other point to the West thereof as Danville may extend said line, or create a new line, in Danville's sole discretion, and shall be run through a meter to measure the quantity of water delivered to the District. The District shall receive the

water into its control at this point. The acquisition, installation and maintenance of such a meter shall be paid for by the District, but the type, style, and adequacy of the meter shall be subject to the approval of Danville.

5. It is contemplated that the District shall resell the water purchased under this agreement to residences and subdivisions lying to the West of the present city limits of the City of Danville and in the areas of Parksville and Mitchellsburg, but shall not be resold to other municipalities, independent water districts, or privately owned water companies. Nothing in this agreement shall prohibit Danville from selling, or entering into any contract to sell filtered water to any other persons, firms, associations, districts, or corporations servicing the same area West of the City of Danville, in any way whatsoever.

6. Prior to commencing or initiating any construction of any water distribution system connecting to the line of Danville at the terminus mentioned above, the District shall file with the City Engineer of Danville an illustration or drawing of the proposed water distribution system together with a statement of estimated cost of construction of all portions of that system located within two (2) miles of the present city limits of Danville, said statement of cost and construction and said drawing to be prepared by a registered professional engineer. The District further agrees that in the event the construction of the water line follows the meanders of Kentucky Highway 34 after the said water line to be constructed is connected with the existing water line of the City of Danville that the said District in the said construction will use six inch or more cast iron pipe from the said connection with the existing line of the City of Danville to that point where the property of the Boyle County Industrial Foundation and that property formerly owned by the Germann Enterprise corner on the said highway, except that lateral lines may be installed of four inches or more of cast iron pipe. In the event the said District in the construction of the said water line does not follow the meanders of Kentucky Highway 34 it is specifically agreed that the said District in the construction shall use six

inch or more cast iron pipe from that point where the same is connected to the existing water line of the City of Danville to that point on Aldridge Lane where the west property line of the property of Oscar Perry and the property of Minor join, except that lateral lines may be installed of four inch or more of cast iron pipe. In any event the District further agrees that in the construction of the said water system, it shall install taps for fire plugs of two and one-half inch standard thread fittings at an interval of one tap for every 400 feet of said water line along that portion of the same which is composed of six inch or more cast iron pipe.

7. The obligation of Danville to supply water is limited by the understanding that Danville shall use reasonable care and diligence in the operation and maintenance of its existing system to prevent and avoid interruption or fluctuations in supply, but Danville does not guarantee that such interruptions and fluctuations will not occur. Further, the parties agree that Danville shall not be liable for curtailment of supply due to emergencies, breaks, leaks, defects, necessary repairs, fires, strikes, acts of God or other causes or unusual demand upon its system. Further, in the event of fire, storm, war, pestilence, acts of God or other emergency, the Mayor of Danville may, without liability attaching to Danville, and without notice, reduce or discontinue said water supply. In the event the Mayor of Danville be absent from the City or be for any reason incapacitated this power to order reduction or cessation of supply shall vest in the Fire Chief of Danville. Similarly, if both the Mayor and Fire Chief of Danville be absent or incapacitated, such power shall vest in the Superintendant of the Danville City Water Works. In either event, the official determination of emergency, shall permit such reduction or reduction of cessation during the pendency of the emergency, without liability.

8. If at any time during the term of this agreement Danville annexes or has added to its corporate limits any territory which at such time of annexation or adding is served with water by the District, or through which any pipes, mains, or pumps or meters belonging to the

District run, then immediately upon such annexation or addition to the corporation limits of Danville, the District shall transfer, set over and deliver to Danville all parts and portions of its water system (including pumps, pipes, fittings, connections, and meters) lying within the territory at the time it is so annexed or added to Danville, in consideration for the payments set forth below. The consideration to be paid to the District by Danville for such change of ownership shall be the appraised actual cash value of the portions of the water system so transferred, as appraised by a registered professional engineer agreed to by the parties. Should the parties be unable to agree upon a single engineer, Danville and the District shall each select a registered professional engineer to appraise the portions of the water system involved, and the consideration shall then be determined by averaging the two appraisals. In making such appraisal the terms "actual cash value" shall mean the cost value of the water system as installed, including the cost value of the equipment, hardware, installation and labor of installation less depreciation on the hardware and equipment for the years said water system or portions thereof has been installed, and said actual cash value shall not mean the cash value to the District, nor shall it in any way contemplate the loss to the District of income by reason of termination of the sale of water from such line to individual customers. Upon such consideration being paid and the portions of the water system involved being transferred, the District shall immediately cease to serve water customers in the annexed or added areas. In the event of the annexation or adding to the City of Danville any territory which at the time of such annexation or adding to is served with water by the District, if the District shall have in said territory a pumping station which is necessary for the pumping of water to its remaining customers and services lying outside the area so annexed or added, the District shall be allowed to retain said pumping station, and the point of delivery of water from the City of Danville to the District under the terms of this agreement shall thence be at said pumping station, and the District shall install at such pumping station an approved meter for the measuring of the quantity of water so delivered, and the purchase, installation, operation and

maintenance of such meter shall be the sole cost of the District.

9. For a breach or threatened breach of the provisions of Article 8, a restraining order or temporary or permanent injunction may issue, and the parties agree and intend by this agreement to confer on each party a right of specific performance of Article 8 of this contract whether or not such parties may have otherwise an adequate remedy of law.

IN TESTIMONY WHEREOF the City of Danville has set its hand and official seal by authority of its governing body and the Parksville Water District have set its hand and seal by authority of the governing body thereof, as witnessed by the attested copy of the minutes of the governing body of said Parksville Water District on the date and year first above written.

CITY OF DANVILLE, KENTUCKY

(S E A L)

BY George R. Davis
MAYOR

ATTEST:

C. Colclough
CITY CLERK

PARKSVILLE WATER DISTRICT COMMISSIONERS

Chas. M. Edwards
COMMISSIONER

Foster Deskins
COMMISSIONER

ATTEST:

Frank Webb
DISTRICT SECRETARY

Councilman Jackson seconded by Councilman Stuart moved that the Council enter into said Contract and authorize the Mayor pro-tem and Clerk to sign same. Upon roll call all Councilmen present voting "Aye", the motion carried.

Attorney Jack May presented a letter of petition from the Christian Church Childrens Home requesting to be annexed into the City.