

September 25, 1976

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P.S.C.
RATES & RESEARCH DIV.

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PUBLIC SERVICE
COMMISSION

First 2,000 g \$5.00
Next 98,000 g 1.80 per 1,000g
Over 100,000 g 1.05 per 1,000g

Minimum Bill Each Month of \$100⁰⁰

THIS AGREEMENT, made and entered into this the 25th day of September, 1976, by and between CITY UTILITIES COMMISSION OF THE CITY OF PRESTONSBURG, KENTUCKY, party of the first part, and FORREST MUSIC, D/B/A AUXIER WATER COMPANY, party of the second part.

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WITNESSETH:

That the parties hereto, for and in consideration of the covenants of this agreement hereinafter set out, have read, understood, and performed, hereby agree as follows:

PURSUANT TO 807 KAR 5011, SECTION 9(1)
BY Phyllis Linnick,
DIRECTOR, RATES & RESEARCH DIV.

(1) The party of the first part agrees to furnish to the party of the second part, at the point of delivery which is located at the site of the Highlands Hospital, 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 at the point of delivery in such quantities as may be required by the party of the second part, not to exceed 100,000 gallons per day of twenty-four hours.

(2) Water will be furnished at a reasonably constant pressure at 40 p.s.i. from an existing 10-inch main supply at a point located near the new Highlands Hospital. If a greater pressure than that normally available at the point of delivery is required by the party of the second part, the cost of providing such greater pressure shall be borne by the party of the second part. 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 party of the first part from this provision for such reasonable period of time as may be necessary to restore service.

(3) The party of the first part agrees to install, operate, and maintain at its own expense at the point of delivery

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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 party of the second part and to calibrate such metering equipment whenever requested by the party of the second part 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 for the three (3) 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 amount of water delivered in the corresponding period immediately prior to the failure, unless party of the first part and party of the second part shall agree upon a different amount. The metering equipment shall be read between the first and fifth days each month following the month in which water has been furnished to party of the second part by party of the first part. An appropriate official of the party of the second part at all reasonable times shall have access to the meter for the purpose of verifying its readings.

(4) The party of the first part agrees to furnish the party of the second part at his address at Auxier, Kentucky, once each month, a statement of the amount of water furnished the party of the second part during the preceding month.

(5) The party of the second part agrees to pay the party of the first part not later than the 20th day of each month for water delivered in accordance with this agreement at the following rates:

A. Five (\$5.00) Dollars for the first 2,000 gallons, which amount shall also be the minimum rate for the month.

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DIRECTOR, RATES & RESEARCH DIV.

B. One-Dollar, Eighty Cents (\$1.80) per 1,000 gallons for water in excess of 2,000 gallons but less than 100,000 gallons.

C. One-Dollar and Five Cents (\$1.05) per gallon for 1,000 gallons of water in excess of 100,000 gallons.

D. The minimum bill under this rate shall be the sum of \$100.00.

(6) In the event the party of the first part is required to increase the water rates charged the residents of Prestonsburg, Kentucky, then this contract is subject to the provision that the rate schedule be modified so as to charge party of the second part the same rates that are being charged for any other person using City water and not residing within the City limits of the City of Prestonsburg, Kentucky.

(7) This contract shall extend for a period of 20 years from the date hereof and thereafter may be renewed or extended for such term or terms as may be agreed upon by the parties hereto.

(8) It is a special condition of this contract in consideration of the rate charged party of the second part that party of the second part agrees not to purchase any water supply from any other person, firm, or corporation other than the party of the first part so long as this agreement is in effect.

(9) The party of the first part is not to be responsible in any way for failure of party of the second part to furnish sufficient water for fire protection purposes.

(10) The party of the second part shall be responsible for any chlorination of the water furnished by party of the first part, if such chlorination is required by the Department of Health.

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BY: Phyllis Linnin
DIRECTOR, RATES & RESEARCH DIV.

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(11) The party of the first part 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 party of the second part with quantities of water required by the party of the second part. 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 party of the first part is otherwise diminished over an extended period of time, the supply of water to party of the second part's consumers shall be reduced or diminished in the same ratio or proportion as the supply to party of the first part's consumers is reduced or diminished.

(12) In the event any occurrence takes place which renders the party of the second part incapable of performing under this contract, any successor of the party of the second part, whether the result of legal process, assignment, or otherwise, shall succeed to the rights of the party of the second part hereunder, and this agreement shall extend to and be binding upon the successors of party of the first part and party of the second part.

(13) In the event the water bill of party of the second part is not paid, the party of the first part, upon reasonable notice to the party of the second part, may disconnect the water and is not required to furnish water in the future until all past bills are paid.

(14) If the party of the first part does not have a sufficient supply of water to supply its consumers of the City of Prestonsburg, Kentucky, then the party of the first part, at its discretion, may reduce the amount of water to be furnished to the

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DIRECTOR, RATES & RESEARCH DIV

party of the second part under this agreement so long as the furnishing of such water shall endanger the furnishing of water to the consumers of the City of Prestonsburg, Kentucky.

WHEREAS, Highlands Regional Medical Center is a consumer of the Auxier Water Company, and

WHEREAS, public policy and the general welfare of the community dictate that water service be continued to said hospital in case of the cut-off of water supply by Prestonsburg Water and Gas Commission to Auxier Water Company, due to said defaults in payment,

NOW THEREFORE, in consideration of the mutual promises and covenants as contained herein, the parties do hereby agree as follows:

(15) That in the event that Prestonsburg Water and Gas Commission finds it necessary to cut off all water supply to Auxier Water Company, due to the default in payment of said Auxier Water Company, the party of the second part agrees that the water to Highlands Regional Medical Center shall continue to be furnished through a separate meter and will not be cut off.

(16) That Forrest Music, d/b/a Auxier Water Company, expressly agrees that the Prestonsburg Water and Gas Commission may serve the Highlands Regional Medical Center during such periods that he cannot supply service to said hospital; and that the Prestonsburg Water and Gas Commission may bill the hospital directly for all water so furnished at the prevailing rate charged by the Auxier Water Company. It is also agreed and understood by all parties hereto that Highlands Regional Medical Center shall pay all such billings directly to Prestonsburg Water and Gas Commission and that said Forrest Music, d/b/a Auxier Water Company, shall not be entitled to any rebate, credit, or monies whatsoever from such billings.

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BY Phyllis Lammie
DIRECTOR, RATES & RESEARCH DIV.

IN TESTIMONY WHEREOF, the party of the first part has caused this agreement to be executed by its duly appointed, acting, and qualified Commissioners, and the party of the second part has hereunto subscribed his name, this the day and date first above written.

CITY UTILITIES COMMISSION OF THE
CITY OF PRESTONSBURG, KENTUCKY

BY: C. J. McWally
CHAIRMAN
John Burke
COMMISSIONER
Phillip Wanner
COMMISSIONER

ATTEST:

Richard H. Hubbard
SUPERINTENDENT

FORREST MUSIC, d/b/a
AUXIER WATER COMPANY
BY: Forrest Music
FORREST MUSIC

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PURSUANT TO 807 KAR 5011,
SECTION 9 (1)
BY: Phillip Lammie
DIRECTOR, RATES & RESEARCH DIV

STATE OF KENTUCKY

SCT.

COUNTY OF FLOYD

I, Patty Sue Allen, a Notary Public within and for the State of Kentucky at Large, do hereby certify that the foregoing agreement between the CITY UTILITIES COMMISSION OF THE CITY OF PRESTONSBURG, KENTUCKY, and FORREST MUSIC, D/B/A AUXIER WATER COMPANY, was, on this day, produced to me in my said County and duly acknowledged by Charles J. McNally, Chairman of the City Utilities Commission, Phillip D. Damron and John W. Burke, Commissioners of said City Utilities Commission, and by Bill H. Howard, Superintendent of said City Utilities Commission, to be their act and deed as well as the act and deed of the said City Utilities Commission of the City of Prestonsburg, Kentucky.

Given under my hand, this the 21st day of Oct., 1976.

Patty Sue Allen

NOTARY PUBLIC,
STATE OF KENTUCKY AT LARGE

my com. Expires: **October 25, 1976**

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

By Phyllis Lancia
DIRECTOR/RATES & RESEARCH DIV

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STATE OF KENTUCKY

SCT.

COUNTY OF FLOYD

I, Ramona Horne, a Notary Public within and for the State of Kentucky at Large, do hereby certify that the foregoing agreement between the CITY UTILITIES COMMISSION OF THE CITY OF PRESTONSBURG, KENTUCKY, and FORREST MUSIC, D/B/A AUXIER WATER COMPANY, was, on this day, produced to me in my said County and duly acknowledged by Forrest Music to be his act and deed for all purposes therein mentioned.

Given under my hand, this the 25th day of September 1976.

Ramona Horne, Notary Public
NOTARY PUBLIC,
STATE OF KENTUCKY AT LARGE

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BY: Phyllis Lammie
DIRECTOR, RATES & RESEARCH DIV

ENDORSEMENT

The foregoing agreement having been read and considered by the City Council of the City of Prestonsburg, Kentucky, and a motion having been made to approve the action of the City Utilities Commission of the City of Prestonsburg, Kentucky, the Mayor and City Clerk were hereby authorized to endorse said agreement signifying the approval and concurrence of the City of Prestonsburg, Kentucky.

Dated: This the 7 day of October, 1976.

William A. Jordan
MAYOR

ATTEST:

Beverly M. Hachworth
CITY CLERK

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