USDA-FHA Form FHA 442-30 (Rev. 4-19-72)

WATER PURCHASE CONTRACT

DEC 2 9 1994

P.S.C. RATES & RESEARCH DIV. This contract for the sale and purchase of water is entered into as of the 21st day of April 19 92 between the ____ City of Russell Springs (Address) Adair County Water District hereinafter referred to as the "Seller" and the Columbia, Kentucky (Address) hereinafter referred to as the "Purchaser", **PUBLIC SERVICE** COMMISSION WITNESSETH: KRS Whereas, the Purchaser is organized and established under the provisions of ___ ___, 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 motion duly passed by the City Council of Russell Springs on the 10th Whereas, by No. ____enacted on the __ ., 19 92, by the Seller, the sale of water to the Purchaser in accordance motion with the provisions of the said ___ was approved, and the execution of this contract carrying out the said Water Purchase Contract by the and attested by the Secretary, was duly authorized, and of the Water Purchase Contract Whereas, by acceptance of the Purchaser, enacted on the _____21st_ the purchase of water from the Seller in accordance with the terms set forth in the said Water Purchase Contract was approved, and the execution of this contract by the Chairman of Adair County Water District, and attested by the Secretary was duly authorized; PUBLIC SERVICE COMMISSION OF KENTUCKY Now, therefore, in consideration of the foregoing and the mutual agreements hereinafter set forth, **EFFECTIVE** The Seller Agrees: 1. (Quality and Quantity) To furnish the Purchaser at the point of delivery hereinafter specified, Eduring the resm of this contract or any renewal or extension thereof, potable treated water meeting applicable purity standard to 807 KAR 5.011. SECTION 9 (1) Commonwealth of Kentucky FOR THE PUBLIC SERVICE COMMISSION in such quantity as may be required by the Purchaser not to exceed ________9,000,000 gallons per month.

2. (Point of Delivery and Pressure) That water will be furnished at a reason	nably constant pressure calculated	
40 PSI 4" at from an existing 6" inch main	supply at a point located On	
the Russell County/Adair County line at Sano (4") and on Hwy	<u> </u>	
If a greater pressure than that normally available at the point of delivery is required by such greater pressure shall be borne by the Purchaser. Emergency failures of pressurbreaks, power failure, flood, fire and use of water to fight fire, earthquake or other catasthis provision for such reasonable period of time as may be necessary to restore service.	e or supply due to main supply line	
3. (Metering Equipment) To furnish, install, operate, and maintain at its own necessary metering equipment, including a meter house or pit, and required devices of s the quantity of water delivered to the Purchaser and to calibrate such metering equipment w but not more frequently than once every twelve (12) months. A meter registering not below the test result shall be deemed to be accurate. The previous readings of any meter	standard type for properly measuring whenever requested by the Purchaser more than two percent (2%) above or	
shall be corrected for theSix (6)months previous to such test in inaccuracy found by such tests. If any meter fails to register for any period, the amount of shall be deemed to be the amount of water delivered in the corresponding period immediate	f water furnished during such period	
and Purchaser shall agree upon a different amount. The metering equipment shall be read of An appropriate official of the Purchaser at all reasonable times shall have access to the its readings.	the 20th of each month me meter for the purpose of verifying	
4. (Billing Procedure) To furnish the Purchaser at the above address not late each month, with an itemized statement of the amount of water furnished the Purchaser duri	er than the <u>1st</u> day of ng the preceding month.	
B. The Purchaser Agrees:		
1. (Rates and Payment Date) To pay the Seller, not later than the 30th delivered in accordance with the following schedule of rates:	OF KENTUCKY	
XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX	
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XXX X+++ X M 4 M XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX	PURSUANT TO 807 KAR 5:011, SECTION 9 (1)	
KXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX		
Twelve (.12) cents per thousand gallons over the cost Springs as purchased from the City of Jamestown. The due to the declining rate schedule as shown below:	to the City of Russell actual rate will vary	
0 - 10,000,000 Gallons Per Month - \$9800 10,000,000 - 15,000,000 Gallons Per Month - \$0.98 15,000,000 - 16,666,667 Gallons Per Month - \$0.90 Over 16,666,667 Gallons Per Month - \$0.87	3/1000 Gallons 3/1000 Gallons	
The above schedule is the rate the City of Jamestown of Russell Springs, therefore, the maximum rate will be \$1.10/1000 Gallons.		
The rate could also be: \$0.90 + \$0.12 = \$1.02/1000 Ga \$0.87 + \$0.12 = \$0.99/1000 Ga		
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 \$ 0.00 dollars which shall cover any and a	Il costs of the Seller for installation	

of the metering equipment and _

C. It is further mutually agreed between the Seller and the Purchaser as follows:

- 2. (Delivery of Water) That 10 days prior to the estimated date of completion of construction of the Purchaser's water supply distribution system, the Purchaser will notify 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 point of delivery, or other point reasonably close thereto, water sufficient for testing, flushing, and trench filling the system of the Purchaser during construction, irrespective of whether the metering equipment has been installed at that time, at a

flat charge of \$ 100.00 which will be paid by the contractor or, on his failure to pay, by the Purchaser.

- 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 required 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 one (1) 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.
- 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 occurence 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. Upon approval of this contract by all parties, any previous water purchase contracts shall be null and void.
- 10. The purchaser hereby pledges this contract to Farmers Home Administration as additional security for the loan.

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE

FEB 06 1995

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

FOR THE PUBLIC SERVICE COMMISSION

In witness whereof, the parties hereto, acting under authority of their respective governing bodies, have caused this contract to be duly executed in <u>three (3)</u> counterparts, each of which shall constitute an original.

		Seller:
		City of Russell Springs, Kentucky
		By Juther Waseham
Attest:		TitleMayor
Allest:	6	Title Mayor
Secretary	<u> </u>	
Jecletary		Purchaser:
		Adair County Water District
		Man de
		By Moles A. Moss
Attest:		Title Chairman
File War		
Secretary	<u> </u>	
This contract is approved on behalf	of the Farmers Home Adv	ministration this $\frac{24^{7}}{}$ day of $\frac{4p-1}{}$,
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