

AMENDED WATER SUPPLY AGREEMENT

This Amended Water Supply Agreement (“Amended Agreement”) dated as of the 6th day of December, 2013 is made and entered into by and between the **City of Williamstown, 400 North Main Street, P.O. Box 147, Williamstown, Kentucky 41097** (hereinafter “City”) and the **Bullock Pen Water District, 1 Farrell Drive, P.O. Box 188, Crittenden, Kentucky 41030** (hereinafter “BPWD”). City and BPWD will be collectively referred to herein as the “Parties”.

WITNESSETH:

WHEREAS, the City and BPWD entered into a certain Water Supply Agreement effective August 15, 2013 (“Agreement”) and,

WHEREAS, the Public Service Commission (“PSC”) has requested a clarification of Article V Water Rates, and

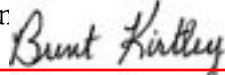
WHEREAS, the Parties execute this Amended Agreement to clarify the terms and conditions relating to future rate increases.

NOW, THEREFORE, in consideration of the premises and mutual covenants and agreements contained herein and other good and valuable consideration, the City and BPWD agree as follows:

1. The Parties incorporate herein by reference each and every term, condition and covenant set forth in the Parties’ original Agreement dated effective August 15, 2013, a copy of which is incorporated herein by reference. The Parties agree that all of the terms, conditions and covenants contained in the Agreement shall remain in full force and effect unless specifically altered by the provisions of this Amended Agreement. In the event that there is any conflict in any term, condition or covenant between the Agreement and this Amended Agreement, the terms, conditions and covenants set forth herein shall control.
2. The Parties hereby amend **ARTICLE IV – WATER RATES** to read as follows:

**ARTICLE IV
WATER RATES**

- A. BPWD shall pay City water rates and charges for wholesale customers at such rates and charges as may be adjusted from time to time. City may, from time to time, increase its water rates and charges but no rate or charge increase will take effect unless and until it has been reviewed and approved by the PSC. Effective January 1, 2014, BPWD shall pay to the City the rate of Two Dollars and Eighty-Nine Cents (\$2.89) per thousand gallons of water purchased. That rate shall continue until January 1, 2015. Effective January 1, 2015, BPWD shall pay to the City the rate of Three Dollars and Ten Cents (\$3.10) per thousand gallons of water purchased. That rate shall continue until modified consistent with the terms and conditions set forth

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herein. Thereafter, the City shall not under any circumstance increase water rates greater than three (3) percent in any calendar year. For purposes of this Amended Agreement, the water rates charged by City to BPWD in effect as of the Effective Date of this Amended Agreement shall continue until increased as provided for herein.

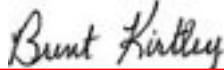
B. BPWD shall pay to City for the actual quantity of water purchased from City unless BPWD's actual consumption for any month does not exceed one hundred thousand (100,000) gallons per day averaged on a monthly basis, in which case BPWD shall pay to City for the minimum volume of flow rate it is required to purchase under this Agreement which is one hundred thousand (100,000) gallons per day average on a monthly basis.

3. The Parties hereby amend **ARTICLE IX – RATE INCREASE** to read as follows:

**ARTICLE IX
RATE INCREASE**

The rates to be charged by City to BPWD for water furnished under this Agreement may be increased or decreased by City during the term of this Agreement only in accordance with the following provisions:

- A. City shall not increase or decrease the rate per one thousand (1,000) gallons to be paid by BPWD to City more often than once in any 365 day period.
- B. City shall not increase or decrease the rate per one thousand (1,000) gallons to be paid by BPWD to City unless the City shall have delivered or mailed to BPWD written notice of such intended increase or decrease a minimum of four (4) months prior to the effective date of such increase or decrease.
- C. The City shall not increase or decrease at any one time the rate per one thousand (1,000) gallons to be paid by BPWD to City in an amount more than three (3) percent (excluding calendar year 2014 and calendar year 2015 as provided for in **ARTICLE IV – WATER RATES**).
- D. Any increase or decrease in the rate charged by City to BPWD for water supplied under the terms of this Agreement shall not become effective unless and until such increase or decrease in water rates has first been reviewed and approved by PSC.
- E. Any increase or decrease in the rates for water service supplied by City to BPWD shall not exceed those increases or decreases being made by City to its regular customers residing within the City of Williamstown city limits.

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4. The City represents that it possesses full authority to enter into this Amended Agreement as permitted by lawful Resolution of its City Council. BPWD possesses full authority to enter into this Amended Agreement by lawful Resolution of BPWD's Board of Commissioners.

IN WITNESS WHEREOF, the parties have caused this Amended Agreement to be duly executed.

CITY OF WILLIAMSTOWN

BY: *[Signature]*
TITLE: Mayor

COMMONWEALTH OF KENTUCKY

COUNTY OF GRANT

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me by the City of Williamstown by and through Rick Skinner, its Mayor this 20th day of December, 2013.

Laura McClanahan
Notary Public
My Commission Expires: 01/05/17
Notary ID No.: 480030

BULLOCK PEN WATER DISTRICT

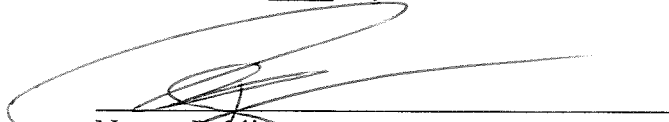
BY: *[Signature]*
BOBBY BURGESS, CHAIRMAN

KENTUCKY PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN EXECUTIVE DIRECTOR
TARIFF BRANCH <i>Brent Kirtley</i>
EFFECTIVE 1/1/2014
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COMMONWEALTH OF KENTUCKY

COUNTY OF GRANT

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me by the Bullock Pen Water District, by and through Bobby Burgess, its Chairman, this 10 day of December, 2013.



Notary Public
My Commission Expires: 3/27/14
Notary ID No.: 463781

