

April 11, 1978

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COMMISSION

C O N T R A C T

THIS AGREEMENT made and entered into this 11th day of April, 1978, by and between THE CITY OF LEITCHFIELD, and THE GRAYSON COUNTY WATER DISTRICT, both municipal corporations of Grayson County, Kentucky;

W I T N E S S E T H:

WHEREAS, the parties hereto have previously entered into a water purchase contract dated the 21st day of August, 1972, whereby the Grayson County Water District hereinafter referred to as "district" undertook to purchase treated water from the City of Leitchfield, hereinafter called "city", at a rate of \$35 per 1000 gal., and said contract provided for a re-negotiated price after three years;

WHEREAS, the parties and each negotiated one with the other and desire to amend said original contract to clarify the method by which the parties arrived at a rate to be charged by the City to the District;

WHEREAS, certain differences have arisen between the parties concerning the testing of meters.

NOW, THEREFORE, in consideration of the foregoing and in further consideration of the mutual promises herein contained, the parties agree to amend the original contract as follows:

- (1) The original contract is ratified and reaffirmed in its entirety except as is inconsistent herewith;
- (2) The rate chargeable for water sold and delivered at the meter by the City to the District shall be \$0.53 per each 1000 gallons of water so sold and delivered, said rate being based upon the proportionate percentage sold to the District as compared to the total pumped at the City's plant and

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the cost of such water withdrawn from the raw source, processed, pumped, stored and delivered to the District, said costs including:

Operation and Maintenance
Administrative Costs
Debt Service prior to the original Contract
Interim Replacement Costs

provided, however, that the present rate includes Interim Replacement at a charge of \$0.04 per 1000 gallons, being an arbitrary compromise by the parties for the present total rate; the City shall, in future, and during this contract period keep separate all items chargeable as operative and maintenance or as interim replacement, which shall mean any capital item replaced by the City within its system directly involved in delivering its water to the District. Upon renewal or re-negotiation of the rate the new rate shall be negotiated according to the actual history of such replacements and the District credited or charged accordingly over the next contract period. Other costs shall be based upon the criteria as proposed by the report submitted by G. Reynolds Watkins to the District;

(3) The City, annually, may request a test to be conducted of the meters through which the district purchases water from the City, such request shall not be made more often than twelve (12) months from the date of the previous test, and said tests shall be conducted by an independent agent or agency and equipment licensed or certified by the Public Service Commission of the Commonwealth of Kentucky; provided, however, that the City shall give written notice to the District of its request for such tests which the District shall cause such tests to be conducted within ten days after the receipt of such written notice and after notifying the City of the date, time and place of such tests, upon the

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default to test within the time provided herein, then the City shall notify the district of the date, time and place of such tests to be conducted as herein before provided and at costs to the District.

IN TESTIMONY WHEREOF, witness the hands of the officers of the parties hereto, the day and year first above written.

UTILITIES COMMISSION
CITY OF LEITCHFIELD

BY: *[Signature]*
Chairman

ATTEST: *Samuel Kilbuck*
Secretary

GRAYSON COUNTY WATER DISTRICT

BY: *[Signature]*
Chairman

ATTEST: *Edmund Nichols*
Secretary

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BY: *[Signature]*
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