

THIS AGREEMENT, made and executed this 29 day of Aug., 1978, by and between the City of McKee, Kentucky, party of the first part, and the Jackson County Water Association, Incorporated, a non-profit corporation, organized and existing under the Laws of the Commonwealth of Kentucky, with principal offices at McKee, Kentucky, party of the second part:

WITNESSETH

THAT WHEREAS, the party of the first part has an existing water system, and

WHEREAS, the party of the second part desires to install a County Water System to serve the community of Sand Gap, Kentucky, as well as other portions of Jackson County, and

WHEREAS, it is to the mutual benefit of both parties hereto that the proposed water system of the party of the second part be installed, and

WHEREAS, the provisions of this agreement will provide a secondary, emergency water supply for both parties hereto, and

WHEREAS, it is to the benefit of both parties not to make unnecessary duplications in water main installation,

NOW, THEREFORE, for and in consideration of the premises and mutual terms, covenants and conditions hereof, it is agreed as follows:

1. That the six inch (6") water main from the Jackson County Consolidated High School, to and thru McKee, Kentucky, will be used as a common water transmission line for the City of McKee and the Jackson County Water Association, Inc.

2. That the water will be metered into and out of this line mentioned in paragraph 1., above, at both ends and the difference at the end of each month will be made up by whichever party is deficient by swapping water. That is: There will be no charge to either party for water since it is to the best interest

of both parties concerned and the amount of water used by each party will be balanced out after the end of each month. In case of emergency where there is no way any deficit could be made up by "swapping water" then the party in deficit shall pay the rate of .60¢ per 1000 gallons of water in deficit.

3. That there will also be a tie-in to the present McKee water main at Bradshaw and this water will be metered and also balanced out in the same manner described in paragraph 2., above.

4. That there will be two tie-ins to McKee water lines on the west side of McKee-- one on Kentucky #89 to the three (3") inch line at the sewage treatment plant. A master meter vault will be installed at this point also. The other tie-in will be to the present (6") water main on the west end of McKee on Kentucky Highway #421. A master meter vault will be installed at this point. All tie-ins - meters, and vaults will be installed and maintained at the expense of second party and owned by them.

5. That the present 100,000 gallon tank in McKee will furnish pressure, not only for McKee, but for the water customers of the Jackson County Water Association, Inc., on Kentucky Highway #89, down Indian Creek, as well as customers on Kentucky Highway #421 not already customers of the City of McKee, Kentucky, to the first water booster pump station on Kentucky Highway No. 421, just past Waneta.

6. That the Jackson County Water Association, Inc.'s 100,000 gallon elevated water storage tank #1 on Kentucky #421 between Gray Hawk and Bradshaw, will furnish water pressure to the City of McKee water customers from the present McKee booster station to the end of their present line at the Jackson County Consolidated High School. The McKee water booster station will be converted to a pressure reducing station and the City of McKee will no longer have to maintain this water booster pump station.

7. That the City of McKee will continue to maintain all of its mains and facilities now existing; that the Jackson County Water Association, Inc., will maintain all of the tie-ins, meter vaults and master meter vaults provided for herein.

8. That this contract shall be binding on the respective successors and assigns of both parties hereto, and shall remain in effect for forty-one years from the date hereof.

9. The parties agree that this contract-agreement may be pledged by the second party as part security for any and all loans for additional funds to erect additional lines and/or facilities.

WITNESS the hands of the parties hereto the day and date aforesaid.

CITY OF MCKEE, KENTUCKY

BY: Otis Johnson
MAYOR, OTIS JOHNSON

JACKSON COUNTY WATER ASSOCIATION, INC.,

BY: Roy D. Combs (Vice Pres)
PRESIDENT

STATE OF KENTUCKY

COUNTY OF JACKSON

The foregoing contract and agreement was signed before me, by Otis Johnson, Mayor, City of McKee, Kentucky, and by Roy D. Combs, Vice President of the Jackson County Water Association, Inc., both persons to me personally known, on the 29th day of August, 1978.

My comm/ expires: Sept 16, 1981

Carl G. Cunnagin N.P.
Carl G. Cunnagin, N.P.