

WATER PURCHASE CONTRACT

This contract for the sale and purchase of water is entered into as of the 11th day of May, 19 89, between the CITY OF NEW HAVEN  
New Haven, Kentucky  
(Address)

hereinafter referred to as the "Seller" and the LARUE COUNTY WATER DISTRICT NO. 1  
Buffalo, Kentucky  
(Address)

hereinafter referred to as the "Purchaser", and the CITY OF BARDSTOWN, Kentucky, hereinafter referred to as the SUPPLIER

WITNESSETH:

Whereas, the Purchaser is organized and established under the provisions of Chapter 74 of the Code of Kentucky Revised Statutes 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

Whereas, by Resolution No. -- enacted on the 11th day of May, 19 89, by the Seller, the sale of water to the Purchaser in accordance with the provisions of the said Resolution was approved, and the execution of this contract carrying out the said Resolution by the Mayor and attested by the Secretary, was duly authorized, and

Whereas, by Resolution of the Board of Commissioners of the Purchaser, enacted on the 5th day of December, 19 88, the purchase of water from the Seller in accordance with the terms set forth in the said Resolution was approved, and the execution of this contract by the Chairman and attested by the Secretary was duly authorized;

~~PUBLIC SERVICE COMMISSION OF KENTUCKY~~  
EFFECTIVE

Now, therefore, in consideration of the foregoing and the mutual agreements hereinafter set forth,

SEP 22 1984

A. The Seller Agrees:

1. (Quantity and Quality) To furnish the Purchaser at the point of delivery hereinafter specified, during the term of this contract or any renewal or extension thereof, potable treated water meeting applicable potability standards of the Commonwealth of Kentucky

PURSUANT TO 207 KAR 5.011  
SECTION 1(h)  
EFFECTIVE

in such quantity as may be required by the Purchaser not to exceed 1 million gallons per month.

The SUPPLIER agrees to increase the monthly amount of water it makes available to the SELLER by the amount actually used by the PURCHASER, but not to exceed 1 million gallons per month. This makes the SUPPLIER's maximum monthly obligation to the SELLER 5.5 million gallons (4,500,000 + 1,000,000 = 5,500,000). The rate of flow as described in section A.2 of the water purchase contract between the Supplier and the Seller is amended to a maximum rate of 150 gallons per minute.

FIA 442-30 (Rev. 4-19-72)



meter and all other devices necessary to properly connect the two systems.

SEP 27 1964  
PURSUANT TO 807 KAR 5.011,  
SECTION 4(1)

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

1. (Term of Contract) That this contract shall extend for a term of 49 BY years from the date of the initial delivery of any water as shown by the first bill submitted by the Seller to the Purchaser and, thereafter may be renewed or extended for such term, or terms, as may be agreed upon by the Seller and Purchaser.

2. (Delivery of Water) That 30 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

rate of ~~the rate of~~ \$ .96 per 1,000 which will be paid by the contractor or, on his failure to pay, by the Purchaser. gallons for water used

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 five (5) 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. The rates shall be modified according to the five (5) year schedule adopted by the SUPPLIER.

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 occurrence 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. This Water Purchase Contract is hereby pledged to the United States of America, acting through the Farmers Home Administration (FmHA), as a part of the security for a loan or loans by the United States of America. This pledge shall continue in effect so long as the LaRue County Water District No. 1 is indebted to the Farmers Home Administration.

10. The PURCHASER warrants that its engineer has analyzed the hydraulic consequences of connecting the two systems and holds harmless the SELLER and the SUPPLIER from any and all liability resulting from the introduction of the SELLER's and the SUPPLIER's hydraulic systems onto that of the PURCHASER.

11. The SUPPLIER hereby consents for the SELLER to wholesale water to the PURCHASER, but neither the SELLER nor the PURCHASER may wholesale to any other entity the water obtained from the SUPPLIER.

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

Seller:

CITY OF NEW HAVEN

By

George G. Barry

Title

GEORGE G. BARRY, MAYOR

Attest:

John C. Matheny  
CITY CLERK

Purchaser:

LARUE COUNTY WATER DISTRICT NO. 1

By

Alan Rust

Title

ALAN RUST, CHAIRMAN

Attest:

Kenneth Doom  
KENNETH DOOM, Secretary

This contract is approved on behalf of the Farmers Home Administration this \_\_\_\_\_ day of \_\_\_\_\_, 19 \_\_\_\_\_.

By \_\_\_\_\_

Title \_\_\_\_\_

SUPPLIER  
CITY OF BARDSTOWN

ATTEST:

Lonnie G. Parrott  
LONNIE G. PARROTT, CITY CLERK

BY:

Guthrie M. Wilson  
GUTHRIE M. WILSON, MAYOR

DATE:

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

SEP 22 1994

PURSUANT TO 897 KAR 5.011,  
SECTION 2 (1)

BY: [Signature]  
FOR THE PUBLIC SERVICE COMMISSION