

This contract for the sale and purchase of water is entered into as of the 8<sup>th</sup> day of July, 19 76, between the City Utilities Commission of Corbin, Kentucky 901 South Main Street, Corbin, Kentucky 40701 (Address)

hereinafter referred to as the "Seller" and the Laurel County Water District No. 2, 122 W. 1st Street, London, Kentucky 40741 (Address)

hereinafter referred to as the "Purchaser",

WITNESSETH:

Whereas, the Purchaser is organized and established under the provisions of KRS 74 of the Code of Kentucky, 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. 216 enacted on the 8th day of July, 19 76, 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 Chairman and attested by the Secretary, was duly authorized, and

Whereas, by Resolution of the Board of Commissioners of the Purchaser, enacted on the \_\_\_\_\_ day of \_\_\_\_\_, 19 \_\_\_\_\_ 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 \_\_\_\_\_ and attested by the Secretary was duly authorized;

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

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A. The Seller Agrees:

1. (Quality and Quantity) 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 purity standards of the Kentucky State Department of Health

PURSUANT TO 607 KAR 50.11 SECTION 9 (1) BY: [Signature] FOR THE PUBLIC SERVICE COMMISSION

in such quantity as may be required by the Purchaser not to exceed 7,500,000 gallons per month. The Purchaser shall not exceed 7.5 million gallons per month without the written consent or acquiescence of the seller. Purchaser shall receive water from Seller at a constant rate during full 24 hour day. Deliver rate shall be approximately 150-200 gpm. At end of 40 year period, gallonage required is estimated at 17,000,000 gallons per month. FHA 442-30 (Rev. 4-19-72)

2. (Point of Delivery Pressure) That water will be furnished at a reasonably constant pressure calculated at \_\_\_\_\_ from an existing 12 inch main supply at a point located \_\_\_\_\_

near the Intersection of the Old City Dam Road and I-75

If a greater pressure than that normally available at the point of delivery is required by the Purchaser, the cost of providing such greater pressure shall be borne by the Purchaser. Emergency failures of pressure or supply due to main supply line breaks, power failure, flood, fire and use of water to fight fire, earthquake or other catastrophe shall excuse the Seller from this provision for such reasonable period of time as may be necessary to restore service.

3. (Metering Equipment) To furnish, install, operate, and maintain at its own expense at point of delivery, the necessary metering equipment, including a meter house or pit, and required devices of standard type for properly measuring the quantity of water delivered to the Purchaser and to calibrate such metering equipment whenever requested by the ~~PURCHASER~~ but not more frequently than once every twelve (12) months. A meter registering not more than two percent (2%) above or below the test result shall be deemed to be accurate. The previous readings of any meter disclosed by test to be inaccurate

shall be corrected for the Eleven (11) months previous to such test in accordance with the percentage of inaccuracy found by such tests. If any meter fails to register for any period, the amount of water furnished during such period shall be deemed to be the amount of water delivered in the corresponding period immediately prior to the failure, unless Seller

and Purchaser shall agree upon a different amount. The metering equipment shall be read on a monthly basis. An appropriate official of the Purchaser at all reasonable times shall have access to the meter for the purpose of verifying its readings.

4. (Billing Procedure) To furnish the Purchaser at the above address not later than the 10th. day of each month, with an itemized statement of the amount of water furnished the Purchaser during the preceding month.  
(Monthly billing period)

**B. The Purchaser Agrees:**

1. (Rates and Payment Date) To pay the Seller, not later than the 20th day of each month, for water delivered in accordance with the following schedule of rates:

- a. \$ 557.79 for the first 1,000,000 gallons, which amount shall also be the minimum rate per month. (Rate schedule below)
- b. \$ 0.45 cents per 1000 gallons for water in excess of no minimum gallons but less than no minimum gallons.
- c. \$ \_\_\_\_\_ cents per 1000 gallons for water in excess of \_\_\_\_\_ gallons.

Effective May 1, 1976 Bills  
RATE SCHEDULE

First 1,000 Gal.	\$3.75
Next 1,000 Gal.	1.40
Next 1,000 Gal.	1.13
Next 7,000 Gal.	.93
Next 90,000 Gal.	.80
Next 100,000 Gal.	.67
Next 100,000 Gal.	.56
Next 700,000 Gal.	.50
All Over 1,000,000 Gal.	.45
Minimum Charge Per Month	\$3.75 N/A
Yard Hydrant	\$6.00 N/A

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SECTION 9 (1)  
BY: James A. Neal  
FOR THE PUBLIC SERVICE COMMISSION

\*A-3 cont. purchaser to construct pumping station complete with metering equipment.

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 none dollars which shall cover any and all costs of the Seller for installation

of the metering equipment and Purchaser shall make connection at its expense. Piping and valving arrangements shall be approved by Seller.

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

40 ~~100~~ <sup>CD</sup> ~~CD~~ <sup>J. V. W.</sup>

1. (Term of Contract) That this contract shall extend for a term of 40 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.

N/A

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 \$ N/A 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 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 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. (Miscellaneous Agreement) Seller shall have the exclusive privilege of providing water service to all industrial and commercial customers, within the boundaries of the Purchaser's territory, that use in excess of 10,000 gallons of water per month in the areas where Seller currently has water lines installed. See attached plat marked Exhibit #1.

\*No. 5 (cont'd.) Any improvements to the seller's system which meet the design criteria of the FmHA will not be considered to be increased capitalization to the system.

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PURSUANT TO 807 KAR 5.011,  
SECTION 9 (1)

BY: [Signature]  
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 two (2) counterparts, each of which shall constitute an original.

Seller:

CITY UTILITIES COMMISSION

By Herman C. Wilder

Title Chairman

Attest:

Elmer G. Stewart MD  
Secretary

Purchaser:

Laurel County Water District #2

By C. W. Sensabaugh

Title Chairman

Attest:

Dennis Kirby  
Secretary

This contract is approved on behalf of the Farmers Home Administration this 26 day of July.

19 76.

By John T. Harmon

Title Chief Community Programs

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PURSUANT TO 807 KAR 5.011,  
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BY: Jordan C. Neal  
FOR THE PUBLIC SERVICE COMMISSION

SCALE: 1"=2000



TO LONDON

EXIST. 100,000 GAL. ELEV. TANK LAUREL NO. 2

EXIST. WATER PLANT - LAUREL NO. 2

EXIST. 300,000 GAL. TANK OWNED BY CITY OF CORBIN

AMERICAN CARD CO.

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PURSUANT TO 807 KAR 5011, SECTION 9 (1)

By *Jordan* FOR THE PUBLIC SERVICE

EXIST. PUMP STA. OWNED BY CITY OF CORBIN  
PROP. PUMP STA. LAUREL No. 2

TO CITY OF CORBIN WATER TREATMENT PLANT

EXIST. WATER LINES

LAUREL CO. WATER DIST. No. 2  
CITY OF CORBIN

MORTON - LYNE & ASSOCIATES  
NASHVILLE, TENN.  
EXHIBIT #1

PLAT SHOWING LOCATION OF EXISTING CORBIN UTILITIES COMMISSION WATER LINES LYING WITHIN THE BOUNDARIES OF LAUREL CO.

WHEREAS, the City Utilities Commission of the City of Corbin has previously authorized its superintendent, Paul Rains, to enter into negotiations with Laurel County Water District Number 2 for the purpose of arriving at a proposed agreement for the purchase of water from the City Utilities Commission of the City of Corbin.

WHEREAS, an agreement has now been arrived at by which the Laurel County Water District Number 2 has agreed to purchase water from the aforementioned City Utilities Commission at a rate not to exceed 7,500,000 gallons per month, such water to be furnished at a constant rate during a full 24 hour period with such delivery rate being approximately 150-200 gallons per minute, with such payment for the water being according to a rate schedule attached hereto and marked as Resolution Exhibit "A".

AND WHEREAS, such agreement will be to the best interests of both the City Utilities Commission of the City of <sup>PUBLIC SERVICE COMMISSION</sup> ~~CORBIN~~ <sup>KENTUCKY</sup> and the Laurel Water District Number 2 <sub>EFFECTIVE</sub>

IT IS HEREBY RESOLVED as follows:

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That the City Utilities Commission of the City of Corbin hereby authorizes its Chairman, <sup>Vernon</sup> ~~Warren~~ Wilder, <sup>BY: *John Daniels*</sup> ~~to enter into~~ a contract <sup>dated July 8, 1976</sup> per the terms mentioned above, and that such contract be legally binding upon this commission per the terms of that agreement.

PURSUANT TO 807 KAR 5.011, SECTION 9(1) FOR THE PUBLIC SERVICE COMMISSION

*Elmer G. Prewitt*  
ELMER PREWITT

*Vernon T. Wilder*  
VERNON WILDER, CHAIRMAN

*John Daniels*  
JOHN DANIELS