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WATER PURCHASE AGREEMENT

This Water Purchase Agreement made and entered into by and between Montgomery County Water District No. 1, Camargo Road, Mt. Sterling, KY. 40353, hereinafter referred to as "District"; and the City of Jeffersonville, Ky., City Hall, Jeffersonville, Kentucky 40337; hereinafter referred to as "City";

WITNESSETH:

WHEREAS, City desires to improve the quality of water service to the customers within its service area by entering into a flow-through water arrangement with District; and

WHEREAS, City and District desire to set out the terms and conditions under which this arrangement will be accomplished; and

NOW, THEREFORE, the parties agree to the following terms and conditions:

1. Upgrading system. The main water line running from Mt. Sterling to Camargo providing water to the service area of the District from the Mt. Sterling system is currently both 8 inch and 4 inch water line. City agrees to pay all costs associated with upgrading the existing 4 inch water line to an 8 inch line from District's tank to the eastern terminus (point of supply and metering station to the City) of the District's line.

In the event the Kentucky Department of Transportation reconstructs U.S. 460 requiring relocation of District's above described 4 inch line, City will pay the betterment value associated with the upgrade to an 8 inch line.

In the latter event District will endeavor to minimize costs to City by cooperating fully with the Kentucky Department of Transportation and City. District will assist with easement acquisition for the 8 inch



upgrade line from Camargo school (the end of existing 8 inch line) east on U.S. 460.

2. Master Meter. The City will install a new master meter station at point of supply ^{where it crosses Brushy Creek on US 460.} and pay the full cost of construction and future maintenance, including the cost for meter testing which shall be done at five year intervals, or on evidence of inaccurate recording. This shall be a dual metering station having ability to meter water from City to District in emergency situations.

3. Service Amount. District agrees to provide to City a daily volume of water not to exceed 260,000 gallons. City and District both have water quantity allotments from the Mt. Sterling system. City shall assign its water quantity allotment to District for those gallons passing through District's system.

City agrees to provide the same water service to District in emergency conditions by turning on their pumps at Harpers Ridge and by drawing down on their tower. Cost to the District shall be the same as to City as hereinafter set out. City agrees to properly maintain the Harpers Ridge pumps at their expense.

4. Surcharge. The surcharge on water flowing through either system shall be five cents per ^{9 m gal} thou gal. The District will bill City by using the maximum usage category of the Mt. Sterling System's charges and adding the surcharge to it. The surcharge shall be reviewed every five years and adjusted upward as required based on demonstrative costs.

5. Cost Sharing. City will pay one half of the costs associated with maintenance and repairs of the transmission line and in line pressure reducing valve stations.

6. Chlorine. If the chlorine residual does not meet state standards when it comes through the meter at the point of supply to City, City will

be responsible for getting it up to state standards and shall pay for the costs associated including a chlorinator, if necessary.

6. Term. The term of this agreement shall be for 45 years from the date of execution or as written in the District's contract amendment with the Mt. Sterling water system.

7. Contingency. This agreement is contingent on FmHA approval.

WITNESS the signatures of the parties hereto on the day, month and year first above written.

Craig Eastwing
WITNESS

Bruce Doughty
WITNESS

CITY OF JEFFERSONVILLE

BY: Josephine Martin

MONTGOMERY COUNTY WATER DISTRICT NO. 1

BY John J. Rickelto

7/15/92

FmHA Concurrence:

By James A. Letcher
James A. Letcher
Community and Business Programs Specialist

9-17-92

(Date)