

## WATER PURCHASE CONTRACT

This contract for the sale and purchase of water is entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, between MOUNTAIN WATER DISTRICT, Pikeville, Kentucky, referred to as the "Seller" and the WILLIAMSON APPALACHIAN REGIONAL HOSPITAL, South Williamson, Kentucky referred to as the "Purchaser."

### WITNESSETH:

1. Whereas, the Seller owns and operates a water supply distribution system with a capacity currently capable of serving its present customers, and

2. Whereas, Purchaser desires a reliable supply of potable water at reasonable rates, and

3. Whereas, this contract will mutually benefit both parties.

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

#### A. The Seller Agrees:

1. (Quality and Quantity) To furnish the Purchaser at the point of delivery, during the term of this contract or any renewal or extension thereof, potable treated water meeting applicable purity standards of the Kentucky Public Service Commission (PSC) and Kentucky Division of Water in such quantity as may be required by the Purchaser not to exceed 300,000 gallons per day or 4.5 million gallons per month. If Purchaser exceeds its daily or monthly quantity limits, it shall be responsible for any costs, fees, or penalties incurred by Seller from its suppliers.

However, Seller reserves the right to limit by whatever measures available to it the supply of water to Purchaser to the maximum quantity limits.

2. (Point of Delivery with and Pressure) That water will be furnished at a reasonably constant pressure from Mountain's existing main supply at a point located in master meter vault. (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 of 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 in accordance with PSC regulations. 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 the first business day of each month. 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 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.

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. \$ 2.41 per 1,000 gallons for all gallons purchased.

b. All accounts are net 20 days after receipt. Five percent (5) penalty attaches after 20 days.

II. A. 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 three (3) 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 the Purchaser.

2. (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 even 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 shall be determined by Seller's water curtailment plan as submitted an approved by the Public Service Commission.

3. (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 only when the rates of Seller's retail customers are adjusted, except that the rate is subject to periodic adjustment to reflect a change in Seller's purchased water costs. Any increase or decrease in rates shall be based on a demonstrable increase or decrease in the costs of providing service. Other provisions of this contract may be modified or altered by mutual agreement.

4. (Regulatory Agencies) That this contract is subject to such rules, regulations, or laws as may be applicable to similar agreements in Kentucky and the Seller and Purchaser will collaborate in obtaining such permits, certificates, or the like, as may be required.

5. (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.

In witness whereof, the parties, acting under authority of their respective governing bodies, have caused this contract to be executed in 2 counterparts, each of which shall constitute an original.

Seller:

Mountain Water District

BY: Joni Akers

TITLE: CHAIRPERSON

Attest:

[Signature]  
(Secretary)

Purchaser:

Appalackan Regional Healthcare

BY: [Signature]

TITLE: Administrator

Attest:

Jimmy Williamson  
Chief Engineer  
Williamson ARH