

THIS CONTRACT FOR WATER SERVICES, made and entered into as of this 13th day of April, 2017, by and between the Webster County Water District, a Water District created under and existing by virtue of the provisions of Chapter 74 of the Kentucky Revised Statutes by virtue of an order entered by the County Court Clerk of Webster County, Kentucky, on the 13th day of December 1965. As created, the Webster County Water District embraced the area of Webster County, excluding the towns and cities of Providence, Clay, Dixon, Sebree, and Slaughters, Kentucky, situated entirely in Webster County, Kentucky, (hereinafter sometimes referred to as the "District"), and the Nebo Water District, situated in Hopkins County, Kentucky, acting by and through the Board of Directors (hereinafter sometimes referred to as "Nebo").

NOW THEREFORE, IN CONSIDERATION OF ALL THE FOREGOING AND THE VARIOUS REPRESENTATIONS, COVENANTS, AND UNDERTAKINGS HEREINABOVE AND HEREINAFTER CONTAINED, THE PARTIES HEREBY SPECIFICALLY AGREE AND COVENANT EACH WITH THE OTHER AS FOLLOWS:

Section 1: Nebo Water District, hereby agrees to purchase some of its treated water in accordance with the terms of this Contract for Water Services from the Webster County Water District, and said Webster County Water District agrees to sell to Nebo Water District, Kentucky at the following schedule of rates:

At a monthly rate of \$3.70 per 1,000 gallons metered.

It is understood that Nebo Water District operates its own water distribution system, and will serve its own retail customers. No tapping fees will be exacted from any customers served by Nebo Water District distribution systems for the benefit of the District, and Nebo customers shall be customers of Nebo Water District only, and not the District, and Nebo itself being the customer of the District. The term of this contract shall be for Five (5) years, from the date of initial delivery of water.

Section 2: It is hereby specifically agreed and covenanted between the parties that the initial schedule of water rates to be paid to the District by Nebo Water District, as set forth in Section 1 hereof, shall be increased only after a review and approval of the Public Service Commission.

Section 3: From the date when water is first made available by the District to Nebo, the water rate as paid by Nebo to the District may be decreased if it is determined from the receipts from the sale of water to Nebo that such a decrease can equitably and profitably be made, at which time an increase or decrease by the District in the rates charged Nebo can be made if it is determined from the receipts of District that either an increase or decrease should be made, and any increase or decrease by the District in its schedule of water rates shall be made on a relatively proportionate basis, so that Nebo Water District, being a water consumer, will not be unfairly discriminated against. Any increase or decrease in rates shall be based on a demonstrable increase or decrease in costs of performance hereunder, but such costs shall not include increased capitalization of the District's system. Other provisions of this contract may be modified or altered by mutual agreement. In this connection it is agreed that any increase or decrease in water cost applied to Nebo Water District shall be on a basis of the same percentage of increase or decrease in revenue per gallon to Nebo Water District as the increase or decrease in water cost applied to wholesale customers of the District. In the event of the proposed increase in water cost they will be

KENTUCKY
PUBLIC SERVICE COMMISSION
Executive Director
Gwen R. Penson
EFFECTIVE
9/21/2017
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

notified 90 days prior to the change and will be afforded the opportunity to participate in the process of rate change.

Section 4: The District agrees to furnish the purchaser at the point of deliver, during the term of this contract or any renewal or extension thereof, potable treated water in such quantity as may be required by the purchaser, not to exceed 500,000 gallons per month.

Section 5: The Contract for Water Service shall be binding upon and shall inure to the benefit of all the parties hereto and their successors in interest, grantees, assignees, heirs, and assigns, and all parties taking an interest from said parties. If any section, clause or provision of this contract shall be held invalid, such holding of invalidity shall not affect the validity of any remaining section, clause, paragraph, portion or provision of this contract.

Section 6: The District will provide water quality that meets all State and Federal Regulations.

IN WITNESS WHEREOF, the parties hereunto cause their names to be affixed as heretofore duly authorized.

NEBO WATER DISTRICT

BY: *J. E. Ellis*

WEBSTER COUNTY WATER DISTRICT

BY: *Charles Zumbach*

ATTEST:

Gene A. Turner
NEBO WATER DISTRICT SECRETARY

Gwen R. Pinson
WEBSTER COUNTY WATER DISTRICT SECRETARY

**KENTUCKY
PUBLIC SERVICE COMMISSION**

Gwen R. Pinson
Executive Director

Gwen R. Pinson
**EFFECTIVE
9/21/2017**

PURSUANT TO 807 KAR 5:011 SECTION 9 (1)