

Exhibit "H"

Water Supply Contracts

RESOLUTION

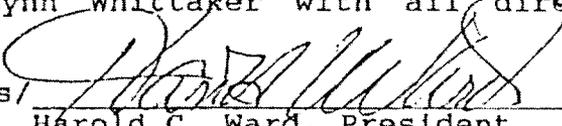
WHEREAS, The Garrard County Water Association is a retailer of potable water in Garrard, Lincoln and Madison Counties and purchases its treated water from the City of Lancaster and because of expansion is now purchasing the production capacity of Lancaster.

WHEREAS, The Garrard County Water Association has many request from roads and areas in its service area to supply potable water service and funding has been acquired to expand the Association's distribution system dependent on the Association purchasing supplemental supplies of treated water from an additional source.

WHEREAS, The Association has found a willing seller of potable water, Berea College Utilities, and has negotiated a water purchase contract acceptable to both Berea College Utilities and the Association to purchase additional water supplies.

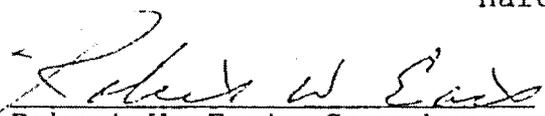
WHEREAS, The Association and Berea College utilities will enter into and execute said contract when the Public Service Commission has reviewed and approved that contract with rates as set or as may be changed from time to time by the Public Service Commission.

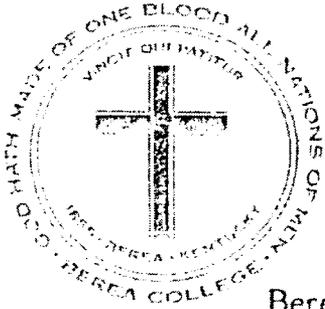
THEREFORE, it is the resolution of the directors of the Garrard County Water Association that the said water purchase contract be executed at the earliest opportunity by the president and/or secretary of the Association. Said action was approved by action of the Association's directors during their meeting of June 2, 1992 by motion of director Henry West whose motion was seconded by director Jenny Lynn Whittaker with all directors voting for the motion.


s/

Harold C. Ward, President

Attest:


Robert W. East, Secretary

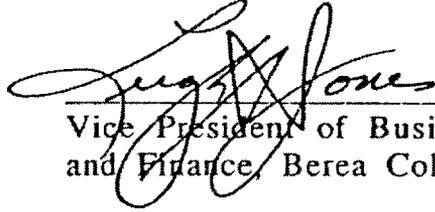


BEREA COLLEGE

Berea, Kentucky 40404

RESOLUTION

Be it resolved by Berea College Water Utility that the Water Purchase Agreement dated August 3, 1992, between The Berea College Water Utility and the Garrard County Water Association, Inc., Lancaster, Kentucky is here by approved in all respects.



Vice President of Business
and Finance, Berea College

BC 00162

AGREEMENT

THIS AGREEMENT, made and entered into this third day of August, 19 92, by and between BEREA COLLEGE WATER UTILITY, a Department of Berea College, having its office at Berea College, C.P.O. 2337, Berea, Kentucky 40404 (hereinafter "Berea Utility"), and The Garrard County Water Association, Inc. a not for profit Water Association duly organized and existing under and by virtue of the laws of Kentucky, having an office at 315 Lexington Road (P.O. Box 670) Lancaster, Kentucky 40444 (hereinafter "the Association");

WITNESSETH:

WHEREAS, the Association has been formed for the purpose of supplying water for the inhabitants of its service area, (which is Garrard County and parts of Lincoln and Madison Counties) and wishes to purchase from Berea Utility water for resale by the Association to its customers, and

WHEREAS, Berea Utility is willing to sell water to the Association for resale by the Association to inhabitants of its service area, and

WHEREAS, the parties wish to enter into a Water Purchase Agreement, to effectuate such sale of water,

NOW, THEREFORE, in consideration of the mutual covenants herein, the parties hereby agree as follows:

1. Berea Utility agrees to sell to the Association, and the Association agrees to purchase from Berea Utility at the rates set forth in Exhibit A herein, as the same may change from time to time and as approved by the PUBLIC SERVICE COMMISSION OF KENTUCKY, 1,500 GALLONS of water per month, and such additional quantities of water as the Association may hereafter from time to time require; provided, however, that Berea Utility is not required by the terms of this Agreement

PUBLIC SERVICE COMMISSION
OF KENTUCKY
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PURSUANT TO 807 KAR 5.011.
BY: *[Signature]*
PUBLIC SERVICE COMMISSION MANAGER

provide the Association with more than 4,500,000 gallons of water per month (hereinafter referred to "maximum gallons per month"). Regardless of the quantities of water the Association requires, the Association will pay Berea Utility the cost of a minimum of 700,000 gallons of water per month. Thirty (30) days prior to the estimated date of completion of construction of the Association's water supply distribution system, the Association will notify Berea Utility in writing the date for the initial delivery of daily water service. Minimum bill requirement of this Agreement will become effective thirty (30) days from the date of initial delivery of daily water service.

2. Potable water meeting applicable purity standards as established by the Division of Water (Commonwealth of Kentucky Department of Environmental Protection) or as those standards may change from time to time will be furnished at the connection to the Berea Utility water mains at the location(s) set forth in Exhibit B herein;

3. The quantity of water so purchased from Berea Utility will not exceed 175 gallons per minute. In the event that the consumption limitations contained herein are exceeded, Berea Utility shall have the right, in addition to such remedies as may be otherwise provided, to place such consumption restrictive devices in its system as will regulate the Association's demands within the limitations contained herein, as to per minute consumption.

4. The Association has constructed and is maintaining within the Association's service area a system of water works for the purpose of supplying inhabitants of the Association's service area with water for domestic, farm and public purposes and that the Association shall have its water distribution system connected with existing water mains of Berea

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Utility at the delivery points referred to in Paragraph 2 above, each such connection to be a single meter connection with cubic feet meter registers.

5. The Association will furnish, install and satisfactorily place into service at its own expense at the point(s) of delivery, the necessary metering equipment including a meter house or pit, a check valve, meter isolation valves and required devices of standard type for properly measuring the quantities of water, in cubic feet, delivered by Berea Utility. At a minimum Berea Utility will test and/or calibrate such metering equipment as required by the applicable rules of the Public Service Commission of the Commonwealth of Kentucky. Additional test will be performed by Berea Utility upon request and/or complaint from the Association. If such additional test show the meter to be inaccurate Berea Utility will calibrate and/or replace said metering equipment. If such additional test show the metering equipment to be accurate then the Association will reimburse Berea Utility for all labor cost associated with testing said metering equipment. A meter registering not more than two percent (2%) above or below the test result shall be deemed accurate. The previous readings of any meter disclosed by test to be inaccurate shall be corrected for the six (6) months previous to such test in accordance with the percentage of inaccuracy found by such test. If any meter fails to register for any given 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 test unless Berea Utility and the Association agree upon a different amount.

6. Berea Utility shall not be required to continually provide uniform flows or maintain constant pressures to the Association and that the

Association shall provide such elevated tanks or standpipes as may be necessary to provide adequate service to its customers; however, Berea Utility shall endeavor to maintain 70 pounds per square inch of pressure at the Association's service connections to Berea Utility's system under normal operating conditions.

7. The obligation of Berea Utility to supply water hereunder is further limited by the understanding that Berea Utility shall undertake to use reasonable care and diligence in order to prevent and avoid interruptions and fluctuations in the supply of water, but that it cannot and does not guarantee or warrant that such interruptions and fluctuations will not occur, or that because of emergencies due to breaks, leaks, defects, construction or necessary repairs in its facilities, or caused by fires, strikes, acts of God, other causes, there may not be periods during which the supply may be curtailed or interrupted. In the event of such interruptions or fluctuations, no liability of any nature shall be imposed upon Berea Utility.

Berea Utility agrees to notify the Association three (3) days in advance of any predictable interruption in service or reduction in pressure that would be caused by construction or scheduled maintenance and that temporary or partial failures to delivery water shall be corrected with all possible dispatch. Notification of all scheduled and unscheduled maintenance and system failures will be made by telephone so that the Association may temporarily modify its distribution system to maintain service to its customers.

8. Berea Utility does not by this Agreement undertake or contract that the service tendered through these connections shall include fire protection or sufficient quantities of water for fire extinguishment; the

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BY: Shirley

any revision of its rate schedule. Berea Utility will furnish the Association no later than the third day of each month an itemized statement of the amount of water furnished to the Association during the preceding month. All statements rendered by Berea Utility to the Association for water furnished under this agreement shall be paid at the offices of Berea Utility within ten (10) days from the date rendered.

11. This Agreement is specifically made subject to the Rules; Regulations and Rates of Berea Utility, as approved by the Public Service Commission of Kentucky, as the same now exist or may hereafter be amended.

12. The Association shall on a continuing basis, forecast its water requirements from Berea Utility five (5) years in advance. The Association shall submit to Berea Utility the Association's forecast at least once every twelve (12) months, the date by which the Association shall submit its forecast to be determined by mutual agreement. Berea Utility shall plan and provide for forecasted increases in the Association's water requirements, to the extent said forecast does not exceed the maximum gallons per month referred to above in Paragraph 1, giving consideration to Berea Utility's and the Association's forecast. Berea Utility shall submit to the Association at least once every twelve (12) months the forecast Berea Utility uses to plan for the Association's water requirements, the date by which the Berea Utility shall submit its forecast to be determined by mutual agreement.

13. If after the Association submits its annual updated forecast to Berea Utility the Association anticipates or plans increase in its water requirements from Berea Utility, that significantly increase the Association's forecast, the Association shall

notify Berea Utility In writing. The Association's written notification shall contain adequate information to allow Berea Utility to determine if the increased water requirement will affect its operations. Berea Utility will determine the lead time necessary to supply the additional water requirement and will notify the Association of the date the additional water will be available. Significantly Increase, as used in this paragraph will be defined as twenty-five percent (25%) of the forecasted water requirement for a single year.

14. The Association covenants to indemnify and hold harmless Berea Utility for any and all liability against claims, liens, demands, causes of action and obligations that might be asserted against Berea Utility by reason of any of the activities of the Association or its agents or employees in connection with the use of water or facilities of Berea Utility. The Association agrees to reimburse Berea Utility for all cost and expenses including court costs and attorney's fees which it incurs in enforcing this covenant to indemnify.

15. This Agreement shall be for a period of twelve (12) years, with options to renew the same thereafter for three (3) additional terms of ten (10) years. Said option must be exercised by the Association no later than thirty (30) days prior to the termination of this Agreement.

16. Neither this Agreement nor any right or obligation of the Association hereunder is assignable by the Association, in whole or in part or voluntarily or involuntarily, without the prior written consent of Berea Utility; provided, however, that consent shall not be required for assignment to a bona fide purchaser of the Association's water distribution system and business, if the purchaser (a) thereafter continues to own and operate such system and business; (b) PURSUANT TO 807 KAR 5:011, SECTION 9 (1)

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
JUL 18 1992

BY: *[Signature]*
PUBLIC SERVICE COMMISSION MANAGER

assignment; and (c) agrees with Berea Utility to the terms, provisions and conditions hereof.

17. Subject to the terms and conditions of this Agreement, this Agreement shall extend to and be binding upon the successors, heirs and assigns of the parties hereto.

18. 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 Association are conditioned upon the approval, in writing, of the State Director of the Farmers Home Administration.

19. This Agreement shall be effective when approved by the Public Service Commission of the Commonwealth of Kentucky and the State Director of the Farmers Home Administration.

20. Provisions of this contract may be modified or altered by mutual agreement of the Association and Berea Utility.

IN WITNESS WHEREOF, the parties have caused their corporate signatures to be affixed hereto by their duly authorized officer.

BEREA COLLEGE WATER UTILITY

ATTEST

Michael Eulich

BY: Mike Belknap
THE GARRARD COUNTY WATER SERVICE COMMISSION
ASSOCIATION, INC. OF KENTUCKY
EFFECTIVE

ATTEST

Robert W. Eads

BY: John W. Wood JUN 18 1992

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

BY: Chau Helle
PUBLIC SERVICE COMMISSION MANAGER

BEEBA COLLEGE WATER UTILITY DEPARTMENT
Name of Issuing Corporation

WHOLESALE SERVICE-CLASS 6

- (a) Applicable: To all customers in the City of Berea, Kentucky, and contiguous territory thereto.
- (b) Availability of Service: Water service to water districts purchased for resale.
- (c) Rates: (Monthly) Per 1000 gallons

All water sales	\$1.95	per 1,000 gallons
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- (d) Late Payment Charge: 10% will be added if bill is not paid by the 10th day after billing date.
- (e) Special Rule:
 - (1) The standard rules and regulations of the utility shall apply.
 - (2) Reconnect charges shall be \$10.00.
 - (3) If account is not paid before the 27th day after date of mailing the monthly bill, services may be discontinued in accordance with the rules and regulations of the Berea College Water Utility and the Public Service Commission.
 - (4) There shall be added to the customers bill as a separate item an amount equal to the proportionate part of any license, occupation, franchise or other similar fee or tax now or hereafter imposed upon Berea College Water Utility by local taxing authorities whether imposed by ordinance, franchise or otherwise, and which fee or tax is based upon the percentage of the gross receipts, net receipts or revenues from the sale of services rendered by Berea College Water Utility to the customer.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
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NOV 19 1990

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

BY: Sharon Sellen
PUBLIC SERVICE COMMISSION MANAGER

DATE OF ISSUE DECEMBER 10, 1990
MONTH DAY YEAR

DATE EFFECTIVE NOVEMBER 19, 1990
MONTH DAY YEAR

ISSUED BY Mike Baibulan
NAME OF OFFICER

PUBLIC SERVICE COMMISSION
OF KENTUCKY
CPO 2337, BEEBA KY 40403
ADDRESS

ISSUED BY AUTHORITY OF THE PUBLIC SERVICE COMMISSION OF KENTUCKY

CASE NO: 90-052

DATED: NOVEMBER 19, 1990

PURSUANT TO 807 KAR 5:011,
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BY: Sharon Sellen
PUBLIC SERVICE COMMISSION MANAGER

Meter Location(s)

1. Northwest corner of intersection of Kentucky 21 and Dogwood Drive.

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JUL 18 1992

PURSUANT TO 807 KAR 5.01
SECTION 9 (1)

BY: *Shawn Helle*

BC 00172

WATER SHORTAGE RESPONSE PROGRAM

of the

GARRARD COUNTY WATER ASSOCIATION, INC.
315 Lexington Road
Lancaster, KY 40444

The Water Shortage Response Program of this utility shall be an adaptation of the suggested program issued by the Division of Water, Department for Environmental Protection. The program shall consist of four phases. Those four phases are: (a) advisory phase, (b) alert phase, (c) emergency phase, and (d) water rationing.

The Water Shortage Response Program of this utility shall classify water uses into three categories, those categories are: (a) essential water uses, (b) socially and economically important uses, and (c) non-essential uses.

It shall be the intent of this utility to serve the water needs of its customers as long as that remains a viable possibility. However, if and when all of the water requirements of its customers cannot be met, it shall be the responsibility of this utility to require of its customers a curtailment in use so that a reasonable water supply may be maintained to meet essential uses to sustain human life and animal life where possible.

Explanation of Phases of the Water Shortage
Response Program of the
Garrard County Water Association, Inc.

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Advisory Phase - The advisory phase shall be initiated when our supplier determines that stream flows are well below normal. This phase shall remain in effect until stream flows return to normal.

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BY: *Shawn Miller*

ie. when demand is less than 10 percent of stream flow for a four week period.

Alert Phase - The alert phase shall begin when our supplier determines that stream flow is much below historically normal stream flow or when demand is 40 to 65 percent of stream flow. Once in effect the alert will not be removed until demand is less than 40 percent of stream flow for a four week period.

Emergency Phase - The emergency phase shall begin when our supplier determines that demand is 60 to 75 percent of stream flow. The emergency phase shall stay in effect until demand is less than 65 percent of flow for a four week period.

Rationing Phase - The rationing phase shall begin when our supplier determines that demand is 75 percent or more of stream flow. Once in effect rationing shall continue until demand has been less than 75 percent of stream flow for a four week period or until a major rain event should occur and precipitate a much larger stream flow.

(Note: The Garrard County Water Association purchases water from the City of Lancaster. Determination of stream flows, etc. shall be made by Lancaster and forwarded to the Association and the Water Shortage Management Task Force for their evaluation of the water shortage situation.)

EXPLANATION OF WATER USE CATAGORIES

Essential Water Uses:

The following usos of water, listed by site or user type, are essential.

Domestic:

*water necessary to sustain human life and the lives of domestic pets, and to maintain minimum standards of hygiene and sanitation.

Health Care Facilities:

*patient care and rehabilitation.

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PURSUANT TO 807 KAR 5:011,
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BY: *Shawn L. L...*

Water Hauling:

- *sales for domestic use where not reasonably available elsewhere.

Public Use:

- *firefighting,
- *health and public protection purposes, as specifically approved by health officials.

Socially or Economically Important Uses of Water:

The following uses of water listed by site or user type, are socially or economically important.

Domestic:

- *personal, in-house water use including kitchen, bathroom and laundry.

Water Hauling:

- *non-domestic, when other sources are not reasonably available elsewhere.

Commercial and Civic Use:

- *commercial car and truck washes,
- *laundromats,
- *restaurants, clubs and eating places,
- *schools, churches, motels/hotels and similar commercial establishments.

Outdoor Non-Commercial Watering:

- *minimal watering of vegetable gardens,
- *minimal watering of trees where necessary for their survival.

Outdoor Commercial or Public Watering (using conservation methods and when other sources of water are not available or feasible to use):

- *maintenance of livestock, except water may not be run or hauled to any open, earthen reservoir such as a pond, pool, or spring,
- *watering by arboretums and public gardens of national, state, regional or community significance where necessary to preserve specimens,
- *watering by commercial nurseries where necessary to maintain stock,
- *watering where necessary to establish or maintain revegetation or landscape plantings required pursuant to law or regulation, OF KENTUCKY PUBLIC SERVICE COMMISSION
- *watering of woody plants where necessary to preserve them, EFFECTIVE
- *minimal watering of golf course greens,
- *spraying of crops to control insects or to apply growth regulators. JUL 18 1992

Recreational:

*operation of municipal swimming pools and residential pools that serve more than 25 dwelling units.

Air Conditioning:

*refilling for startup at the beginning of the cooling season,
*makeup of water during the cooling season,
*refilling specifically approved by health officials and the municipal governing body, where the system has been drained for health protection or repair services.

Non-Essential:

Any waste of water is non-essential. The following uses of water, listed by site or user type, are also non-essential.

Public Use:

*use of fire hydrants, including use of sprinkler caps, testing fire apparatus and fire department drills,
*flushing of sewers and hydrants except as needed to ensure public health and safety as approved by health officials.

Commercial and Civic Use:

*serving water in restaurants, clubs, or eating places, except by customer request,
*failure to repair a controllable leak,
*increasing water levels in scenic and recreational ponds and lakes, except as necessary to support fish and wildlife.

Ornamental Purposes:

*fountains, reflecting pools and artificial waterfalls.

Outdoor Watering:

*use of water for dirt control or compaction,
*watering of annual or non-woody plants (other than vegetable gardens) lawns, parks, golf course fairways, playing fields and other recreational areas,
*washing sidewalks, walkways, driveways, parking lots, tennis courts or other hard-surface areas,
*washing down buildings or structures for purposes other than immediate fire protection,
*flushing gutters or permitting water to run or accumulate in gutter or street.

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Outdoor Commercial or Public Watering:

*expanding nursery facilities, placing new irrigated agricultural land in production, or planting of landscaping except where required by a site design review process,

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SECTION 9 (1)

- *use of water for dirt control of compaction,
- *watering of lawns, parks, golf course fairways, playing fields and other recreational areas,
- *washing sidewalks, walkways, driveways, parking lots, tennis courts or other hard-surface areas,
- *washing down buildings or structures for purposes other than immediate fire protection,
- *flushing gutters or permitting water to run or accumulate in any gutter or street,
- *filling or re-filling of residential swimming pools.

Non-Commercial Washing of Motor and Other Vehicles:

Measures to be Taken by the Garrard County Water Association During the Four Phases of its Water Shortage Response Program

Advisory Phase:

Convene the Water Shortage Management Task Force:

- *set conservation goals and prepare for decreasing supply,
- *monitor and evaluate all drought-related activities.

Issue Water Shortage Advisory:

- *enact local water shortage response ordinance.

Monitor Supply/Demand Situation.

Develop Public Education Strategy for Current and Potential Shortage:

- *notify public of potential problem,
- *request voluntary conservation for all water use but especially for non-essential use.

Alert Phase:

Convene the Water Shortage Management Task Force:

- *set conservation goals and prepare for decreasing supply,
- *monitor all drought-related activities, including enforcement of the non-essential use ban.

Continue to Monitor Supply/Demand Situation.

Issue Water Shortage Alert Declaration:

- *ban all non-essential water uses.

Develop Public Education Strategy for Current and Potential Shortage:

- *notify public of Alert Declaration,
- *request voluntary conservation for all water use, but especially for socially or economically important uses,
- *non-essential uses are banned.

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OF KENTUCKY
EFFECTIVE:

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PURSUANT TO 807 KAR 5.011,
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BY: *Cheryl Latta*
PUBLIC SERVICE COMMISSION CLERK

Emergency Phase:

Continue to Monitor Supply/Demand Situation.

Issue Water Shortage Emergency Declaration:

- *ban all non-essential water use,
- *restrict socially and economically important water uses.

Socially or Economically Important Water Uses Will be Restricted

to the Following:

Domestic:

*personal, in-house water use including kitchen, bathroom and laundry.

Water Hauling:

*only for human consumption or maintenance of livestock or the control of insects on crops.

Commercial and Civic Use:

*laundromats, restaurants, clubs and eating places, schools, churches, motel/hotels and similar commercial establishments.

Outdoor Non-Commercial Watering:

*minimal watering of trees where necessary for their survival.

Outdoor Commercial or Public Watering (using conservation methods and when other sources of water are not available or feasible to use):

- *maintenance of livestock, except water may not be run or hauled to any open, earthen reservoir such as a pond, pool, or spring,
- *watering by arboretums and public gardens of national, state, regional or community significance where necessary to preserve specimens,
- *watering by commercial nurseries where necessary to maintain stock,
- *watering where necessary to establish or maintain revegetation or landscape planting required pursuant to law or regulation,
- *watering of woody plants where necessary to preserve them,
- *spraying of crops to control insects or to apply growth regulations

Recreational:

*operation of municipal swimming pools and residential swimming pools that serve more than 25 dwelling units.

Air Conditioning:

*refilling for startup at the beginning of the cooling season.

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OF KENTUCKY

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PURSUANT TO 802 KAR 5.011,
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BY: Cheryl L. ...
DIRECTOR

*makeup of water during the cooling season,
*refilling specifically approved by health officials where the system has been drained for health protection or repair services.

Impose a Drought Surcharge of \$3.00 Per Thousand or Portion Thereof on all Water Used (both metered and bulk sales).

Develop Public Education Strategy for Current and Potential Shortage:

- *notify public of the emergency declaration,
- *request voluntary conservation for essential water use,
- *non-essential uses are banned and socially or economically important water uses are restricted,
- *set a conservation goal of an immediate 25 percent reduction in water use,
- *inform customers of drought surcharge.

Convene the Water Shortage Management Task Force:

- *set conservation goals and prepare for decreasing supply,
- *monitor and evaluate all drought-related activities.

Rationing Phase:

Continue to Monitor Supply/Demand Situation.

Convene the Water Shortage Management Task Force:

- *set conservation goals and prepare for decreasing supply,
- *monitor and evaluate all shortage-related activities, especially enforcement of designated allocations.

Develop Public Education Strategy for Current and Potential Shortage:

- *notify public of the rationing declaration,
- *emphasize the necessity and attainability of the 25 percent further reduction goal under current conditions,
- *notify customers of their rationing quota based on 50 percent of their average use during April and May 1988.

Institute Mandatory Allocation:

- *ban all non-essential and socially and economically important water uses except the maintenance of livestock,
- *restrict essential water uses to the following:

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domestic: water necessary to sustain human life and the lives of domestic pets, and to maintain minimum standards of hygiene and sanitation.

health care facilities: patient care and rehabilitation

water hauling: close public loading stations.

public use: firefighting, health and public protection

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[Signature]
PUBLIC SERVICE COMMISSION MANAGER

BC 00180

purposes, as specifically approved by health officials.

Institute an Excess Use Charge to be Applied to Any Water Use Above Their Allocation. The excess use charge shall be applied as follows:

<u>Excess Usage Per Month</u>	<u>Charge for Excess</u>
First 2,000 gallons or portion thereof	\$7.00 per 1,000 gallons or portion thereof
Each 1,000 gallons, or portion thereof, thereafter	\$15.00

*any monies collected through excess-use charges shall not be accounted for as income, but shall be placed in a reserve account that is dedicated to addressing water shortage problems and water conservation initiatives.

In Addition to the Excess-Use Charge, Non-Compliance With the Water Rationing Provisions Will Result in the Following:

*for the first excess use, a warning of possible discontinuation shall be issued to the customer,

*for the second or subsequent excess use, service to the customer may be interrupted or shut off for a period not to exceed 48 hours.

*if termination of any service becomes necessary there will be a \$30.00 reconnection fee for the first violation. The reconnection fee for the second violation shall be \$200.00 and \$300.00 for each additional violation.

*any violator who is found to have tampered with any of the utilities metering equipment or locking devices will be prosecuted under the Kentucky Revised Statute and/or have his or her service permanently removed.

Meter Reading Schedules Will be Altered to Assure Adequate Monitoring of Compliance With This Regulation.

Any Customer or Other Person Aggrieved by a Decision or Action Imposing an Excess-Use Charge or Other Remedy for Non-Compliance With the Requirements of This Ordinance May Proceed in Accordance With the Following Provisions:

*the Association shall adopt procedures which provide an opportunity for the customer or aggrieved party to rebut the finding of a violation, or provide evidence of circumstances beyond the customer's control which resulted in the violation, (a record of evidence regarding disputed violations shall be kept, PUBLIC SERVICE COMMISSION OF KENTUCKY shall notice of the Association's final decision and action in accordance with established procedures shall be provided to the customer or aggrieved party).

*any person aggrieved by the final decision or action of the utility may file a complaint with the Public Service Commission in accordance with established procedures.

JUL 18 1992

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

BY: *Sharon J. Latta*
PUBLIC SERVICE COMMISSION MANAGER

RWL K JHL



United States
Department of
Agriculture
Berea Address

Office of
General
Council

Suite 1015
401 West Peachtree Street
Atlanta, Georgia 30365

May 18, 1992

In Reply Refer To:
EMHA-KY-91-33

Ms. Mary Ann Baron
State Director
Farmers Home Administration
Lexington, Kentucky

Dear Ms. Baron:

Subject: Garrard County Water Association, Inc.
Garrard County, Kentucky
Water Purchase Contract

Enclosed please find proposed contract between the above and
Berea College Water Utility, as seller.

As stated in the submittal correspondence, the contract is for a
secondary source of water for the corporation. Subject to public
service commission approval, the contract has been
administratively approved with the initial term of twelve years
and the provision for three renewals of ten years each as
specified in Item 15 of the draft being resolved as satisfactory
under EMHA Instructions 1942.10(E).

Upon proper execution of the contract, the docket is to contain a
copy thereof, together with applicable approval by the PSC and
certified copies of brief resolutions by the two entities
approving and authorizing its execution.

Should there be further questions concerning the above, please
advise.

Sincerely,

DONALD R. KRONENBERGIER, JR.
Regional Attorney

Paul T. Collier
Paul T. Collier
Assistant Regional Attorney

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

Enclosures

PTC/wgc

JUL 18 1992

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

BY: *Cheryl Sallee*
PUBLIC SERVICE COMMISSION MANAGER

BC 00182

Amendment No. 1

The water purchase Agreement dated August 3, 1992 by and between BEREA COLLEGE WATER UTILITY, a Department of Berea College, having its office at Berea College, C.P.O. 2337, Berea, Kentucky 40404 (hereinafter "Berea Utility"), and The Garrard County Water Association, Inc. a not for profit Water Association duly organized and existing under and by virtue of the laws of Kentucky, having an office at 315 Lexington Road (P.O. Box 670) Lancaster, Kentucky 40444 (hereinafter "the Association") herein is amended.

Section 15 is amended to extend the contract period for an additional five (5) years. The admendment will enable the Association to meet FmHA loan requirements, to secure an loan for distribution system improvements.

Berea Utility and the Association being in mutual agreement hereby modify the first sentence in Section 15 to read " This Agreement shall be for a period of twelve (12) years, with options to renew the same thereafter for three (3) additional terms of ten (10) years and one (1) additional term of five (5) years."

IN WITNESS WHEREOF, the parties have caused their corporate signatures to be affixed hereto by their duly authorized officer.

EFFECTIVE DATE April 20, 1995

BEREA COLLEGE WATER UTILITY

ATTEST

Sarah Bottwin

BY:

M. Bethune

THE GARRARD COUNTY WATER
ASSOCIATION, INC.

ATTEST

Robert W. Eads

BY:

H. A. Ward

Garrard County Water Association, Inc.

P.O. BOX 670 315 LEXINGTON ROAD

LANCASTER, KY 40444-0670

(859) 792-4501 TTY: 800-648-6056

FAX: (859) 792-1671

June 21, 2004

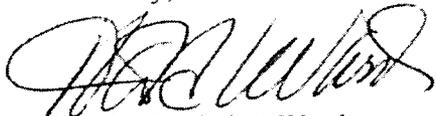
Mr. Michael Eirick, Operations Manager
Berea College Utilities
CPO 2207
Berea, KY 40404

Dear Mr. Eirick:

A review of our records indicates that the Association's water purchase contract with Berea College will have its twelfth anniversary in August of this year. The terms of said contract allows the Association three additional ten year water purchase terms. Therefore, be advised that the Association wishes to extend the water purchase contract for an additional ten years to August 3, 2014.

If Berea College should want additional documentation of the Association's intent, please advise.

Sincerely,



Harold C. (Coby) Ward
President/Executive Director

WATER PURCHASE CONTRACT

This contract for the sale and purchase of water is entered into as of the 28th day of December, 1987, between the Berea College Water Utility, Berea, Kentucky 40404 hereinafter referred to as the "Seller" and the Southern Madison Water District, Berea, Kentucky 40403 hereinafter referred to as the "Purchaser".

WITNESSETH:

Whereas, the Purchaser is organized and established under the provisions of KRS Chapter 74, of the Code of N/A, 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, the sale of water to the Purchaser in accordance with the provisions of the offer by letter of intent dated June 17, 1968, was approved, and the execution of this contract carrying out the said letter of intent by the Karl E. Warming, Business Vice President, and attested by the Secretary, was duly authorized:

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

PUBLIC SERVICE CORPORATION

CINCINNATI, KY

SEP 11 1987

PURSUANT TO THE PROVISIONS

BY: [Signature]

A. The Seller Agrees:

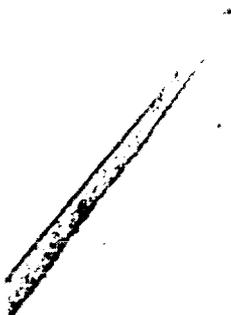
1. (Quality and quantity) To furnish the Purchaser at the points of delivery hereinafter specified, during the term of this contract or any renewal or extension thereof, potable treated water meeting applicable purity standard of the Bureau of Health, Department for Human Resources, Commonwealth of Kentucky, in such quantity as may be required by the Purchaser not to exceed ten million (10,000,000) gallons per month. The parties further agree that the quantity of water to be furnished by Seller and purchased by Purchaser as set forth herein shall be reviewed on an annual basis during the term of the original contract or any renewal or extension thereof.
2. (Point of Delivery and Pressure) That water will be furnished at a reasonably constant pressure calculated at Thirty (30) psi from an existing supply at points located as shown in specifications and plans of Southern Madison Water District. 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. (Billing Procedure) To furnish the Purchaser at the above address not later than the Third (3rd) day of each month, with an itemized statement of the amount of water furnished the Purchaser during the preceding month.

PUBLIC SERVICE COMMISSION

SEP 11 1987

PUBLIC SERVICE COMMISSION

B. Jones



H.A.W.
H.W.Z.
JD 5/20/85

R.H.B. [initials]

4. As provided in C. ³ hereof, provisions of this contract pertaining to schedules of rates after the initial two-year period are subject to modification at the end of each two-year period and are at all times subject to any changes in rates or conditions ordered or approved by the Public Service Commission of Kentucky, or any other regulatory agency that may in the future have the authority to regulate rates charged by the Seller.

B. The Purchaser Agrees:

1. (Rates and Payment Date) To pay the Seller, no later than the 10th day of each month, for water delivered in accordance with the P.S.C. approved schedule of rates: P.S.C. No. 4, Original Sheet No. 6, dated November 25, 1982.

B.1. A - At the P.S.C. approved rate per 1,000 gallons based on combined total of all Master Meters.

B.1. B - See Attached Sheet.

2. (Metering Equipment) To furnish, install, operate and maintain at its own expense at all points of delivery, the necessary metering equipment including a meter house or pit and required devices of standard type for properly measuring the quantities of water delivered by the Seller, and to calibrate such metering equipment whenever requested by the Seller but not more frequently than once every twelve months, and according to the applicable rules of the Public Service Commission of Kentucky. A meter registering not more than two percent (2%) above or below the test result shall be deemed accurate. The previous readings of any meter disclosed by test to be inaccurate shall be corrected for the three 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.

UNRECORDED COPY

MAY 20 1987

UNRECORDED COPY
B. Jones

3. The Purchaser Agrees - in the event overlapping facilities are installed, the Seller may as deemed necessary for the purpose of establishing loop feed to its system to boost pressure, tap, and install crossover lines between the two systems, (at the expense of the Seller) in all such instances all water diverted from the Purchaser's System will be metered and the Purchaser credited for these quantities of each current months billing at same time.
4. The Purchaser covenants to indemnify the Seller against any claim for property damage or personal injury actions, including death actions, that might be brought against the Seller by reason of any of the activities of the Purchaser or its employees in connection with the use of water or facilities of Berea College, and further covenants that Seller shall not be liable to Purchaser for any failure of service or pressure resulting from occurrences beyond the control of the Seller.

"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 Forty (40) years from the date of this Water Purchase Contract and thereafter may be renewed or extended for a period of Twenty (20) years on reasonable terms and conditions unless sooner terminated pursuant to the provisions of C.9."
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 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.

WATER SERVICE COMMISSION
 DEPT. OF PUBLIC WORKS
 100 N. HIGHWAY 100
 CLEVELAND, OHIO 44114
 SEP 22 1987

Boynes

3. (Modification of Contract) That the provisions of this initial 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 two year period. 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 this State and the Seller and Purchaser will collaborate in obtaining such permits, certificates, or the like, as may be required to comply therewith.
5. (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.
6. (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.

USING SECTION 107. As provided in C.7 the water system of Purchaser is being financed by a loan and/or grant from the United States of America acting through the Farmers Home Administration of the United States Department of Agriculture. Notwithstanding other provisions hereof, this contract shall terminate when all obligations of Purchaser to pay such loan are discharged. Thereafter, Seller and Purchaser agree to negotiate in good faith to arrive at an extension of the services supplied by Seller to Purchaser based upon reasonable rates and conditions.

SEP 13 1987
PURSU
BY B. Jones

7A. This Water Purchase Contract supersedes the Water Purchase Contract between the parties dated May 15, 1969; the Amendment to Water Contract, dated July 7, 1969; and, the Second Amendment to Water Purchase Contract, dated June 25, 1981.

8. This contract is binding on the Seller's successors and assigns. In Witness whereof, the parties hereto, acting under authority of their respective governing bodies, have caused this contract to be duly executed in Eight (8) counterparts, each of which shall constitute an original.

Seller: BERA COLLEGE WATER UTILITY

Attest:

Louther M Atwater
Title Notary Public

By Robert H Barnett
Title Business Vice President

Purchaser: SOUTHERN MADISON WATER DISTRICT

Attest:

Lila Bellando
Title Secretary

By Hubert W. Lutz
Title Chairman

This contract is approved on behalf of the Farmers Home Administration this 11 day of December 1985.

PUBLIC SERVICE COMMISSION
OFFICE OF THE SECRETARY
COLUMBIA, MISSOURI

SEP 22 1987

RECEIVED

BY B. Jones

By James A. Lutz
Title Community & Business Programs Specialist

BC 00155

B.I.B

FOR Berea, Kentucky and vicinity

P.S.C. Ky. No. 4

original Sheet No. 6

Cancelling P.S.C. Ky. No. 3

4th. Revised Sheet No. 2

BEREA COLLEGE WATER UTILITY
A Department of Berea College
(Name of Issuing Corporation)

CLASSIFICATION OF SERVICE

Wholesale - Class 6

RATE

(a) APPLICABLE: To Berea, Kentucky and Vicinity

(b) AVAILABILITY OF SERVICE: Available for all purposes.

(c) RATE: (Monthly)

All wholesale water sales Per 1,000 gallons \$ 1.15

(d) DELAYED PAYMENT CHARGE: 10% will be added if bill is not paid by the 10th day after billing date

(e) SPECIAL RULES:

If account is not paid before the 27th day after date of mailing the monthly bill, services may be discontinued in accordance with the rules of the Public Service Commission of Kentucky and an extra charge of \$10.00 will be made before service is restored.

PUBLIC SERVICE COMMISSION

NOV 24 1982

PUBLIC SERVICE COMMISSION

BY: *[Signature]*

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

NOV 24 1982

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

[Signature]

DATE OF ISSUE Dec. 24 1982
Month Day Year

DATE EFFECTIVE Nov. 25 1982
Month Day Year

ISSUED BY *Karl E. Warming* Business Vice-President, Berea, Kentucky
Name of Officer Title Address

BC 00156

RESOLUTION

The Southern Madison Water District, at a meeting on December 28, 1984, approved the following Resolution:

Resolve that the Southern Madison Water District enter into a Water Purchase Contract Agreement with Berea College Water Utility for the purchase of water in order to serve the present customers of the Southern Madison Water District.

Be it further resolved that at a meeting of the Southern Madison Water District on May 20, 1985, a correction was made to the Water Purchase Contract Agreement, a copy of which is attached hereto.

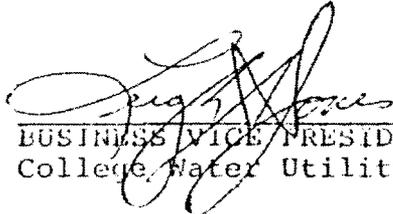
Hubert W. Lumpford
CHAIRMAN, SOUTHERN MADISON WATER
DISTRICT 11-12-85

Lila Bellando
SECRETARY, SOUTHERN MADISON WATER
DISTRICT

PUBLIC SERVICE COMMISSION
SEP 10 1987
PURSUED BY PERSON
BY *B. J. ...*

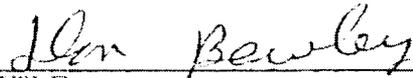
RESOLUTION

Be it resolved by the Berea College Water Utility that a Water Purchase Contract dated December 28, 1984, between the Berea College Water Utility and the Southern Madison Water District, Berea, Kentucky, and a correction made to certain language of said Water Purchase Contract initialed on May 20, 1985, is hereby approved in all respects.


BUSINESS VICE PRESIDENT, Berea
College Water Utility

11-15-85

ATTEST:


TITLE
UTILITIES ADMINISTRATOR

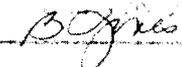
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BC 00158

RECEIVED

DEC 15 1987

PURCHASE

BY 

Berea College



OFFICE OF THE BUSINESS VICE PRESIDENT
TELEPHONE (606) 286-2111

Berea, Kentucky 40403

June 17, 1968

Southern Madison Water District
Berea
Kentucky 40403

Attention: Mr. Frederick G. Williams, Attorney at Law

Gentlemen:

Berea College Waterworks will provide water to your Water District at a flat rate of forty (40) cents per thousand gallons, contingent upon approval of this special low rate by the Public Service Commission of Kentucky and mutual agreement by both the College Waterworks and the Water District of all other aspects of the contract provisions.

Yours very truly,

Karl E. Warming
Business Vice President

KEW:da

PUBLIC SERVICE COMMISSION

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PUBLIC SERVICE COMMISSION

BC 00159