

**SALYERSVILLE WATER WORKS  
401 COLLEGE STREET  
SALYERSVILLE, KENTUCKY 41465  
606/349-3743 FAX 606/349-3752**

November 20, 2006

**Mr. Beaver  
Kentucky Public Service Commission  
Attention: Tariff Branch  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, Kentucky 40601**

RECEIVED  
NOV 22 2006  
PUBLIC SERVICE  
COMMISSION

Dear Mr. Beaver:

*Case No. 2006-00499*

As per our phone conversation on Nov. 20<sup>th</sup>, please consider the Salyersville Water Works official request for a rater increase. This rater increase would be across the board to all Salyersville Water Works user, including the Magoffin County Water District, as previously stated in the original contract with the Magoffin County Water District, dated January 26, 1983.

I have enclosed a copy of the proposed rate increase. Also enclosed with this letter are a copy of a rate analysis that was performed by John Tackett, C.P.A., January 2003 and a copy of the Minutes where the Salyersville Water Commission voted the rate increase on. I am enclosing a copy of the Water Contract between us and the Magoffin County Water District along with all updated amendments.

If you have any questions, please do not hesitate to call the Salyersville Water Works at (606) 349-3743.

Sincerely,

*Judy Jackson*  
Judy Jackson, Chairman

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NOV 22 2006  
FINANCIAL ANA

JJ/vjh

cc. Magoffin County Water District

FOR Salyersville, Kentucky  
Community, Town or City

P.S.C. KY. NO. \_\_\_\_\_

\_\_\_\_\_ SHEET NO. \_\_\_\_\_

Salyersville Water Works  
(Name of Utility)

CANCELLING P.S.C. KY. NO. \_\_\_\_\_

\_\_\_\_\_ SHEET NO. \_\_\_\_\_

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CONTENTS

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WHOLESALE WATER RATE

Magoffin County Water District:

|                         |                          |
|-------------------------|--------------------------|
| First 8,000,000 Gallons | \$2.30 per 1,000 Gallons |
| Over 8,000,000 Gallons  | \$2.45 per 1,000 Gallons |

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DATE OF ISSUE November 20, 2006  
Month / Date / Year

DATE EFFECTIVE December 20, 2006  
Month / Date / Year

ISSUED BY Judy Jackson  
(Signature of Officer)

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

**Salyersville Water Works  
401 College Street  
Salyersville, Kentucky 41465  
606/349-3743 fax 606/349-3752**

**November 20, 2006**

**Paul H. Salyers, Chairman  
Magoffin County Water District  
P.O. Box 490  
Salyersville, Kentucky 41465**

**Dear Sirs:**

**Enclosed please find a copy of the request submitted by the Salyersville Water Works, to the Public Service Commission, concerning an increase in water rates of .15 per thousand gallon of water.**

**This will be in effect on December 2006 billing and due to be paid by January 10<sup>th</sup>, 2007.**

**Sincerely,**

A handwritten signature in cursive script that reads "Judy Jackson".

**Judy Jackson, Chairman**

**JJ/vjr**

**Encl.**

**SPECIAL MEETING  
OF THE  
SALYERSVILLE WATER WORKS  
HELD ON NOVEMBER 13, 2006 AT 1:00 P.M.,**

**Those present were Chairman Jackson, Commissioner Howard,  
Commissioner Minix, Supt. Howard, Secretary Hall.**

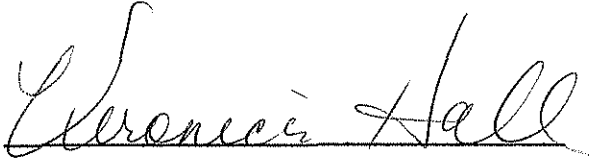
**Ch. Jackson called the meeting to order.**

**Commissioner Howard made the motion to initiate a rate increase in the  
amount of .15 per thousand gallon effective immediately to all customers including  
Magoffin County Water. Commissioner Minix seconded the motion. Vote was  
unanimous.**

**With no further business to discuss the meeting was call to a close.**

  
CHAIRMAN

**ATTEST:**



*John B. Tackett, P.C., CPA*  
*178 West Maple Street*  
*Post Office Box 892*  
*Salyersville, KY 41465*  
*Phone (606) 349-5111 ♦ Fax (606) 349-6208*

John B. Tackett, C.P.A.  
Peggy E. Pinton, C.P.A.

Connie Auxier-Workman

January 14, 2003

Board of Commissioners  
Salyersville Water Works  
College Street  
Salyersville, KY 41465

RE: Cost of Water

Per your request, I have compiled information from the fiscal year ending June 30, 2002 for the purpose of determining the cost of water production.

The compilation revealed that Salyersville Water Works had produced 243,505,942 gallons of water and sold 233,221,900 gallons of water. The costs associated with the gallons sold are reflected as either direct or indirect cost. The relative cost is scheduled here and reflect the cost per 1,000 gallons sold.

|               | <u>TOTAL EXPENSE</u> | <u>COST PER 1,000 GALLONS</u> |
|---------------|----------------------|-------------------------------|
| Direct Cost   | \$581,834            | \$2.495                       |
| Indirect Cost | 680,909              | <u>2.920</u>                  |
| Total Cost    |                      | \$5.415                       |

This cost does not include any cost associated with the Sewer Treatment. Should these cost be included the overall cost would increase.

This computation has not been subjected to audit procedures. The computation is based on information that is the representation of management, and accordingly do not express an opinion or any other form of assurance on them.

Should you wish to discuss this further, please feel free to contact my office.

Sincerely yours,

*John B. Tackett, CPA*

John B. Tackett, PSC

RECEIVED

AUG 30 1994

PUBLIC SERVICE COMMISSION

AMENDED WATER PURCHASE CONTRACT

~~THIS AMENDED WATER PURCHASE CONTRACT~~, made and entered into this 1st day of December, 1990, between the SALYERSVILLE WATER COMMISSION (City of Salyersville) P. O. Box 640, Salyersville, Kentucky 41465, hereinafter referred to as the (Seller) and the MAGOFFIN COUNTY WATER DISTRICT, P. O. Box 490, Salyersville, Kentucky 41465 hereinafter referred to as the (Purchaser).

WITNESSETH: That in consideration of the mutual covenants contained herein Seller and Purchaser do hereby agree and covenant that the Water Purchase Contract of January 26, 1983, Amended as Follows:

1. The Magoffin County Water District shall pay to the Salyersville Water Commission not later than the fifteenth day of each month, for water delivered the sum of \$1.60 per thousand gallons under paragraph (B)(1) of the Water Purchase Contract.

② Paragraph (A)(1) Quality and Quantity of potable water be increased from 7,000,000 gallons per month to 8,000,000 per month.

IN WITNESS WHEREOF, the parties hereto, acting under the authority of their respective governing bodies have caused this contract to be executed. PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE

SEP 22 1994

SELLER:

SALYERSVILLE WATER COMMISSION PURSUANT TO 807 KAR 5011, SECTION 8(1)

BY:

BY: Jeffery Bailey  
JEFFERY BAILEY, CHAIRMAN

ATTEST:

Sonny Baker  
SECRETARY

BUYER:

MAGOFFIN COUNTY WATER DISTRICT

BY:

BY: Roy C. Cain  
ROY C. CAIN, CHAIRMAN

ATTEST:

AMENDED WATER PURCHASE CONTRACT

This Amended Water Purchase Contract, made and entered into this 5th day of April, 1994, between the Salyersville Water Commission (City of Salyersville) P. O. Box 640, Salyersville, Kentucky 41465; hereinafter referred to as the (seller and the Magoffin County Water District, P. O. Box 490, Salyersville, Kentucky 41465; hereinafter referred to as the (Purchaser).

Witnesseth: That in consideration of the mutual covenants contained herein Seller and Purchaser do hereby agree and covenant that the Water Purchase Contract of January 26, 1983, Amended as follows:

1. The Salyersville Water Commission hereby extend the Water Purchase Contract for a forty (40) year term, which said period shall expire March 2036.
2. Paragraph (A) (1) Quality and Quantity of portable water be increased from 8,000,000 per month to a maximum of 11,000,000 gallons per month. All water purchased over 8,000,000 gallons per month shall be at \$1.75 per thousand.

In Witness Whereof, the parties hereto, acting under the authority of their respective governing bodies have caused this contract to be duly executed.

SELLER:

SALYERSVILLE WATER COMMISSION

Lenny Blitcher  
CHAIRMAN

ATTEST:

Geri Ann Jones  
SECRETARY  
PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

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AUG 30 1994

PUBLIC SERVICE  
COMMISSION

SEP 22 1994

BUYER:

MAGOFFIN-COUNTY WATER DISTRICT

PURSUANT TO 807 KAR 5.011,  
SECTION 9(1)

BY: John C. Carr  
FOR THE PUBLIC SERVICE COMMISSION  
CHAIRMAN

ATTEST:

Shirley Berdies  
SECRETARY

This contract is approved on behalf of the Farmers Home Administration this \_\_\_\_\_ day of \_\_\_\_\_, 199\_\_.

BY \_\_\_\_\_

TITLE \_\_\_\_\_



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AUG 30 1994

PUBLIC SERVICE  
COMMISSION

AMENDED WATER PURCHASE CONTRACT

THIS AMENDED WATER PURCHASE CONTRACT, made and entered into this 16<sup>th</sup> day of October, 1989, between the SALYERSVILLE WATER COMMISSION (City of Salyersville) P. O. Box 640, Salyersville, Kentucky 41465, hereinafter referred to as the (Seller) and the MAGOFFIN COUNTY WATER DISTRICT, P. O. Box 430, Salyersville, Kentucky 41465 hereinafter referred to as the (Purchaser).

WHEREAS, the Seller and Purchaser entered into a certain Water Purchase Contract dated January 26, 1983 for a term of forty years, which contract was extended for an additional four years by agreement dated March 20, 1987;

PUBLIC SERVICE COMMISSION  
FOR KENTUCKY  
EFFECTIVE  
SEP 22 1994

WHEREAS, the Purchaser, Magoffin County Water District, is procuring financing to extend its water lines to the Middle Fork of Licking River in Magoffin County, Kentucky and it is necessary for them to secure an extension of the Amended Water Purchase Contract insuring a supply of water for at least a period of forty (40) years which is the term of the bonds, notes and mortgages which will finance such project;

PURSUANT TO KRS 5011.010  
SECTION 3(1)  
BY Middle Fork  
FOR THE PURCHASER

NOW THEREFORE, it is agreed between the parties as follows:

1. In recognition that the purchaser desires to extend its water lines to the Middle Fork area of Magoffin County, Kentucky and will purchase additional waters from the Seller and that Purchaser further must secure the water purchase contract securing its source of water for such project for a period of over forty (40) years from the date of the initiation

of said project, the parties do hereby agree and covenant that the water purchase contract of January 26, 1983 between them as amended by Amended Water Purchase Contract on March 20, 1987 is further amended so that the term thereof shall be for a term of forty (40) years from and after January 1, 1991.

2. The parties state that no other term of the original Water Purchase Contract of January 26, 1983 and the Amended Water Purchase Contract are modified except as provided above and all other terms remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto, acting under the authority of their respective governing bodies, have caused this Amended Water Purchase Contract to be duly executed in seven counterparts, each of which shall constitute an original

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

SELLER:

SEP 22 1994

SALYERSVILLE WATER COMMISSION PURCHASE ORDER NO 7 KAR 5011,  
SECTION 9(1)

BY:

Colin Roy Jackson  
COLIN JACKSON

Joe Salyer  
JOE SALYER

Bobby Howard  
BOBBY HOWARD

ATTEST:

Monica Hill  
SECRETARY

BUYER:

MAGOFFIN COUNTY WATER DISTRICT

BY:

ATTEST:

Henry Joseph  
SECRETARY

STATE OF KENTUCKY:

COUNTY OF MAGOFFIN:

I, [Signature], a Notary Public for the County and State aforesaid, do certify that on the 16 day of October, 1989, personally appeared before me COLIN JACKSON, JOE A. SALYER AND BOBBY HOWARD, who declared to me that they are the Commissioners of the Salyersville Water Commission, and that they have the authority to execute said instrument on its behalf.

My Commission Expires 7/5/90.

[Signature]  
NOTARY PUBLIC PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE

STATE OF KENTUCKY:

COUNTY OF MAGOFFIN:

I, William J. Cantrell, a Notary Public for the County and State aforesaid, do certify that on the 14 day of October, 1989, personally appeared before me Ray C. Crain, who declared to me that he is the Chairman of the Magoffin County Water District, and that he has the authority to execute said instrument on its behalf.

My Commission Expires 3/6/91

William J. Cantrell  
NOTARY PUBLIC

SEP 22 1994  
PURSUANT TO KRS 501.1, SECTION 14  
BY: [Signature]  
FOR THE STATE

This Contract Extension Agreement is approved on behalf of the Farmers Home Administration on this \_\_\_ day of \_\_\_\_\_, 19\_\_.

FARMERS' HOME ADMINISTRATION

WATER PURCHASE CONTRACT

This contract for the sale and purchase of water is entered into as of the 26<sup>th</sup> day of January,  
19 83, between the Salversville Water Commission (City of Salversville)  
P. O. Box 640 Salversville, Ky.  
(Address)

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AUG 30 1994

hereinafter referred to as the "Seller" and the Magoffin County Water District  
P.O. Box 430, Salversville, Ky.  
(Address)

PUBLIC SERVICE  
COMMISSION

hereinafter referred to as the "Purchaser", and is to become effective on the date of receipt  
by Seller of Request by Purchaser as per Sec. C. #3.  
WITNESSETH:

Whereas, the Purchaser is organized and established under the provisions of Chapter 74 of the  
Code of Kentucky Revised Statutes, 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.            enacted on the 13th day  
of January, 19 83, 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 of the Salversville Water Commission  
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 83,  
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 Chairman of the Magoffin County Water District  
attested by the Secretary was duly authorized;

PUBLIC SERVICE COMMISSION  
EFFECTIVE

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

SEP 22 1984

A. The Seller Agrees:

1. (Quality and Quantity) To furnish the Purchaser at the point of delivery hereinafter set forth during the term of  
this contract or any renewal or extension thereof, potable treated water meeting applicable purity standards of the             
Ky DNRSP and State Health Department

INSUFFICIENT COPY  
SECTION 2 (1)  
FOR THE PUBLIC SERVICE COMMISSION

in such quantity as may be required by the Purchaser not to exceed 7,000,000 gallons per month. nor  
160 gpm at each metering station.

2. (Point of Delivery and Pressure) That water will be furnished at a reasonably constant pressure calculated at 30 psi from an existing Six (6) and Eight (8) inch main supply at a point ~~located~~ illustrated on attached map.

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 three (3) 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 during 4th week of 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 at the above address not later than the 5th 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 15th day of each month, for water delivered in accordance with the following schedule of rates:

a. \$ xxxxxxxxxxxx for the first xxxxxxxxxxxx gallons, which amount shall also be the minimum rate per month.

b. \$ 1.25 cents per 1000 gallons for water in excess of xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx gallons but less than xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx gallons xxxxxxxxxxxxxxxx

c. \$ xxxxxxxxxxxxxxxx cents per 1000 gallons for water in excess of xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx gallons

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

SEP 22 1994

PURSUANT TO 807 KAR 5011,  
SECTION 9(1)

BY: Jordan  
FOR THE PUBLIC SERVICE COMMISSION

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 xxxxxxxxxxxx dollars which shall cover any and all costs of the Seller for installation of the metering equipment and appropriately sized as shown by invoice to include labor and materials and an additional 10% of these costs. Thereinafter seller shall be responsible for maintenance and accuracy of said metering equipment.

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 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 thirty (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, or any Section thereof,

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 \$ 1.25/1000g 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 two (2) 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. (See item 9)

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. All subsequent rate changes will occur at the same time and in the same percentage of change as applied to all customers of the Salyersville Water Commission both inside and outside the city.

10. It is agreed that all of the Purchaser's rights and equities under this contract may be and the same are hereby pledged to the USDA, FmHA, as security for a loan FmHA proposes to make to purchaser to finance the construction of a water system.

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

SEP 22 1994

PURSUANT TO 807 KAR 5.011,  
SECTION 3 (1)

BY: \_\_\_\_\_

In witness whereof, the parties hereto, acting under authority of their respective governing bodies, have caused this contract to be duly executed in Seven (7) counterparts, each of which shall constitute an original.

Seller:

SALYERSVILLE WATER COMMISSION

By Donald Crommover

Title CHAIRMAN

John W. Robertson  
Clinton Amelt

Purchaser:

MAGOFFIN COUNTY WATER COMMISSION

By Bill Amelt

Title CHAIRMAN

Attest:

Carla Howard  
Secretary

Attest:

[Signature]  
Secretary

This contract is approved on behalf of the Farmers Home Administration this \_\_\_\_\_ day of \_\_\_\_\_,

19 \_\_\_\_\_.

By \_\_\_\_\_

Title \_\_\_\_\_

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

SEP 22 1994

PURSUANT TO 807 KAR 5011,  
SECTION 9 (1)

BY: [Signature]  
FOR THE PUBLIC SERVICE COMMISSION

AMENDED WATER PURCHASE CONTRACT

This Amended Water Purchase Contract, made and entered into this 5th day of April, 1994, between the Salyersville Water Commission (City of Salyersville) P. O. Box 640, Salyersville, Kentucky 41465; hereinafter referred to as the (seller and the Magoffin County Water District, P. O. Box 490, Salyersville, Kentucky 41465; hereinafter referred to as the (Purchaser).

Witnesseth: That in consideration of the mutual covenants contained herein Seller and Purchaser do hereby agree and covenant that the Water Purchase Contract of January 26, 1983, Amended as follows:

1. The Salyersville Water Commission hereby extend the Water Purchase Contract for a forty (40) year term, which said period shall expire March 2036.
2. Paragraph (A) (1) Quality and Quantity of portable water be increased from 8,000,000 per month to a maximum of 11,000,000 gallons per month. All water purchased over 8,000,000 gallons per month shall be at \$1.75 per thousand.

In Witness Whereof, the parties hereto, acting under the authority of their respective governing bodies have caused this contract to be duly executed.

SELLER:

SALYERSVILLE WATER COMMISSION

*Kenny Stetson*  
CHAIRMAN

ATTEST:

*Lori Ann Howard*  
SECRETARY

BUYER:

MAGOFFIN COUNTY WATER DISTRICT

*Bob E. Carr*  
CHAIRMAN

ATTEST:

*Shirley Borders*  
SECRETARY

This contract is approved on behalf of the Farmers Home Administration this \_\_\_\_\_ day of \_\_\_\_\_, 199\_\_.

BY \_\_\_\_\_

TITLE \_\_\_\_\_



AMENDED WATER PURCHASE CONTRACT

This Amended Water Purchase Contract, made and entered into this 20 day of September, 2000, between the Salyersville Water Commission (City of Salyersville) P.O. Box 640, Salyersville Kentucky 41465; hereinafter referred to as the Seller and the Magoffin County Water District, P.O. Box 490, Salyersville, Kentucky 41465; hereinafter referred to as the Purchaser.

WITNESSETH: That in consideration of the mutual covenants contained herein, Seller and Purchaser do hereby agree and covenant that the Water Purchase Contract of January 26, 1983 and Amendment dated August 11, 1995 and Amendment dated Sept. 29, 1997 and Amend as follows:

Paragraph (A)(1) Quality and Quantity of portable water be increased from 16,000,000 gallons per month to the quantity of water that may be required by the Purchaser but not exceed 17,000,000 gallons per month.

It is further agreed that Purchaser shall not purchase water from any other Sellers so long as Seller is able to meet the water demands of Purchaser, with regards to quantity and quality as per this contract.

IN WITNESS WHEREOF, the parties hereto, acting under the authority of their respective governing bodies have caused the contract to be duly executed.

SELLER:  
SALYERSVILLE WATER COMMISSION

ATTEST:

Clarence Hall

Cabin Jackson  
CHAIRMAN

PURCHASER:  
MAGOFFIN COUNTY WATER DISTRICT

ATTEST:

William J. Santrell

Del W. May  
CHAIRMAN

This contract is approved on behalf of the Rural Development this the 3rd day of OCTOBER, 2000.

BY: James H. Hall  
TITLE: Chief Utilities Specialist

OCT 24 1997  
OCT 30 1997

## AMENDED WATER PURCHASE CONTRACT

This Amended Water Purchase Contract, made and entered into this the \_\_\_\_ day of September, 1997, between the Salyersville Water Commission (City of Salyersville) P.O. Box 640, Salyersville, Kentucky 41465; hereinafter referred to as the Seller and the Magoffin County Water District, P.O. Box 490, Salyersville, Kentucky 41465; hereinafter referred to as the Purchaser.

WITNESSETH: That in consideration of the mutual covenants contained herein, Seller and Purchaser do hereby agree and covenant that the Water Purchase Contract of January 26, 1983 and Amendment dated August 11, 1995 and Amend as follows:

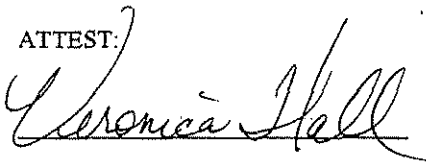
Paragraph (A)(1) Quality and Quantity of portable water be increased from 14,000,000 gallons per month to the quantity of water that may be required by the Purchaser but not exceed 16,000,000 gallons per month. All water purchased over 8,000,000 gallons per month shall be \$1.75 per thousand.

It is further agreed that Purchaser shall not purchase water from any other Sellers so long as Seller is able to meet the water demands of Purchaser, with regards to quantity and quality as per this contract.

IN WITNESS WHEREOF, the parties hereto, acting under the authority of their respective governing bodies have caused the contract to be duly executed.

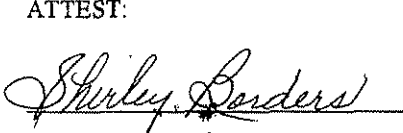
SELLER:  
SALYERSVILLE WATER COMMISSION

ATTEST:


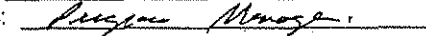
  
CHAIRMAN

PURCHASER:  
MAGOFFIN COUNTY  
WATER DISTRICT

ATTEST:

  
CHAIRMAN

This contract is approved on behalf of the Rural Economic and Community Development this the 29 day of October, 1997.

BY:   
TITLE: 

AMENDED WATER PURCHASE CONTRACT

This Amended Water Purchase Contract, made and entered into this 20 day of September, 2000, between the Salyersville Water Commission (City of Salyersville) P.O. Box 640, Salyersville Kentucky 41465; hereinafter referred to as the Seller and the Magoffin County Water District, P.O. Box 490, Salyersville, Kentucky 41465; hereinafter referred to as the Purchaser.

WITNESSETH: That in consideration of the mutual covenants contained herein, Seller and Purchaser do hereby agree and covenant that the Water Purchase Contract of January 26, 1983 and Amendment dated August 11, 1995 and Amendment dated Sept. 29, 1997 and Amend as follows:

Paragraph (A)(1) Quality and Quantity of portable water be increased from 16,000,000 gallons per month to the quantity of water that may be required by the Purchaser but not exceed 17,000,000 gallons per month.

It is further agreed that Purchaser shall not purchase water from any other Sellers so long as Seller is able to meet the water demands of Purchaser, with regards to quantity and quality as per this contract.

IN WITNESS WHEREOF, the parties hereto, acting under the authority of their respective governing bodies have caused the contract to be duly executed.

SELLER:  
SALYERSVILLE WATER COMMISSION

ATTEST:

*Veronica Hall*

*Calvin Jackson*  
CHAIRMAN

PURCHASER:  
MAGOFFIN COUNTY WATER DISTRICT

ATTEST:

*William J. Santrell*

*Bob W. May*  
CHAIRMAN

This contract is approved on behalf of the Rural Development this the \_\_\_\_ day of \_\_\_\_\_, 2000.

BY: \_\_\_\_\_  
TITLE: \_\_\_\_\_