

**Cawood Water District
Case No. 2019-00041
Request for Documents contained in
Appendix D to the Commission's Order entered March 12, 2019**

1. A copy of all documents, including but not limited to contracts, amendments to contracts, letters, e-mails and communications of every type which set out the price the utility pays for wholesale water purchases from other water districts, water associations, municipal water utilities, and investor-owned utilities.

Response:

Cawood Water District purchases water from the Pineville Utility Commission and Harlan Municipal Water Works. A copy of each relevant Water Purchase Contract is enclosed. Also enclosed is a schedule of the past and present rates of Harlan Municipal Water Works.

WATER PURCHASE CONTRACT

This contract for the sale and purchase of water is entered into as of the 16th day of December 2003, between the Pineville Utility Commission, 151 Pine Street, P. O. Box 277, Pineville, Kentucky, 40977, hereinafter referred to as the "Seller" and the Cawood Water District, P. O. Box 429, Cawood, Kentucky, 40815, hereinafter referred to as the "Purchaser",

WITNESSETH:

Whereas, the Purchaser, is organized and established under the provisions of K.R.S. Chapter 74, 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 action of the Pineville Utility Commission on November 18, 2003, the Seller approved this Contract for sale of water to the Purchaser, and attested by the Secretary was duly authorized, and

Whereas, by action of the Cawood Water District Board, on December 9, 2003, the purchase of water from the Seller in accordance with the terms set forth in this Contract was approved, the Contract executed, and attested by the Secretary was duly authorized;

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

A. The Seller Agrees:

1. (Quality and Quantity) To furnish the Purchaser at the point of delivery hereinafter specified, during the term of this contract or any renewal or extension thereof, potable treated water meeting applicable purity standards of the Kentucky Natural Resources and Environmental Protection Cabinet, Division of Water, in such quantity as may be required by the Purchaser, not to exceed one million (1,000,000) gallons per month.
2. (Point of Delivery and Pressure) That water will be furnished at a reasonably constant pressure, in accordance with Division of Water regulation, calculated at the master meter location from an existing six-inch water main located near the Bell County-Harlan County line on State Highway 72. If a greater pressure than

is 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 preceding six (6) 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 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 at the above address not later than the first (1st) day of the month following the meter reading with an itemized statement of the amount of water furnished from the Purchaser during the preceding billing period.

B. The Purchaser Agrees:

1. (Rates and Payment Date) To pay the Seller, not later than the tenth (10th) day of each month, for water delivered and billed in accordance with the following schedule of rates:
 - a. \$700.00 for the four hundred thousand (400,000) gallons, which amount shall also be the minimum rate per month and payable as a minimum bill regardless of amount of gallons purchased.
 - b. \$1.75 per one thousand (1,000) gallons for water in excess of four hundred thousand (400,000) gallons but less than one million (1,000,000) gallons.
 - c. \$2.75 per one thousand (1,000) gallons for water equal to or in excess of one million (1,000,000) gallons.
 - d. Any amount billed and outstanding after the tenth (10th) day of the month shall be subject to a ten percent (10%) penalty calculated on the outstanding balance.
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 twenty thousand

three hundred dollars (\$20,300.00) which shall cover any and all costs of the Seller for installation of metering equipment, backflow prevention devices, valves and necessary upgrades to the Tanyard water pumping station.

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 forty-five (45) 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 of the date for the initial delivery of water.
3. (Water for Testing) When requested by the Purchaser, the Seller will make available to the Purchaser's 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 two dollars seventy-five cents (\$2.75) per one thousand (1,000) gallons 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 the 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 each annual 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.
6. (Regulatory Agencies) That this contract is subject to such rules, regulations, or laws as may be applicable to similar agreements in this Commonwealth 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 furnished by a loan made or insured by, and/or a grant from, the United States of America, acting through Rural Development 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 Rural Development. Upon receipt of such approval and payment of the Connection Fee by the Purchaser to the Seller, Seller will embark upon necessary system improvements and construction of the metering equipment necessary to provide water service to the Purchaser.

- 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.

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

Seller:

Pineville Utility Commission

By

Patricia M. Bingham

Title: Chairperson

Attest:

Ireda J. Barnett

Secretary

Purchaser:

Cawood Water District

By

Walter Lurch

Title

BOARD CHAIRMAN

Attest:

George Hensley

Secretary

This contract is approved on behalf of Rural Development this _____ day of _____, 2003.

By _____

Title _____

WATER PURCHASE CONTRACT

This contract for the sale and purchase of water is entered into as of the 21st day of March, 2013, between the **HARLAN MUNICIPAL WATER WORKS**, P.O. Box 1151, Harlan, Kentucky 40831, hereinafter referred to as the “**Seller**” and the **CAWOOD WATER DISTRICT**, P.O. Box 429, Cawood, Kentucky 40815, hereinafter referred to as the “**Purchaser**”.

WITNESSETH:

That for and in consideration of the mutual covenants and promises hereinafter stated, the Purchaser and Seller do hereby agree as follows:

Whereas, the Purchaser is organized and established under the provisions of K.R.S. Chapter 74, 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 for emergency purposes that may arise. The purchaser agrees to pay all costs associated with the construction and installation of the interconnection as designed and approved by the Seller.

The Seller Agrees:

1. (Point of Delivery and Pressure) That water will be furnished at a reasonably constant pressure calculated between 95 psi-100 psi from an existing twelve inch (12") main supply at a point located between the CSX Railroad and Martins Fork of the Cumberland River southeast of KY Hwy. 72 at Dressen. 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.

The Seller Agrees:

2. (Billing Procedure) To furnish the Purchaser at the above address not later than the 1st day of each month, with an itemized statement of the amount of water furnished the Purchaser during the preceding billing period. Purchaser shall pay said bill by the 15th day of each month.

The Purchaser Agrees:

3. The Purchaser will notify the Seller when the system is being switched over to Seller for emergency reasons and when switched back over to the Purchaser after repairs.

4. That the Purchaser will work diligently to make the necessary repairs in order to remove themselves from the emergency situation and regain self-sufficiency.

5. That the Purchaser at its own expense will install and maintain the meter at the point of delivery, its backflow preventer, its accuracy, vault, pump station, valves, as well as all the systems appurtenances, including standard operating and exercising practices. The Purchaser agrees to have the meter tested for accuracy at least once per year and calibrated as needed. The meter registering not more than two percent (2%) above or below true test accuracy will be deemed as accurate.

6. The previous readings of the master meter disclosed by test to have been inaccurate shall be corrected for the past 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 a monthly basis. An official of the Seller at all times shall have access to the meter for the purpose of verifying its readings.

7. That the Seller will have access into the meter vault for purposes of reading the meter at any time.

8. That during catastrophic, or any situation where supply is limited and rationing required, the Seller would distribute proportionately to customers of the Seller as it sees fit.

9. In a case of main line failure or otherwise large loss of water exceeding the agreed daily amount or rate per minute occurs in the Purchaser system that is being supplied by the Seller and no one maintaining the Purchaser system could be reached after reasonable time and effort, the Seller would have the right to cut off the water at the interconnection source point until the Purchaser's system repairs are made.

10. The Seller promises to have a safe water supply at the source point with adequate chlorine residual. If there be a need to boost the chlorine residual within the Purchaser system, it would be the responsibility of the Purchaser to do so.

11. That the amount furnished by the Seller will be up to a maximum of 100,000 gallons per day and at a maximum rate of 150 gallons per minute.

12. The Seller will charge its prevailing water rate.

It is further mutually agreed between the Seller and the Purchaser as follows:

13. (Term of Contract) That this contract shall extend for a term of 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 Purchaser.

14. (Delivery of Water) That approximately 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 of the date for the initial delivery of water.

15. (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 and gallonage defined within this contract. 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 restored or made available as quickly as possible and distributed as the Seller sees fit.

16. (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.

17. (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.

18. (Miscellaneous) That the Purchaser will, at all times, operate and maintain its system in an efficient manner and will take such actions as may be necessary to minimize the amount of water purchased from the Seller and not exceed the agreed gpd nor the gpm rate. The Purchaser will always notify and receive approval from the Seller prior to taking water from the Seller's system and will coordinate with the Seller each time when it ceases taking water from the Seller's system.

IN WITNESS WHEREOF, the parties hereto, acting under authority of their respective governing bodies, have caused this contract to be duly executed in two (2) counterparts, each of which shall constitute an original.

Seller:

HARLAN MUNICIPAL WATER WORKS

By 

Title Chairman

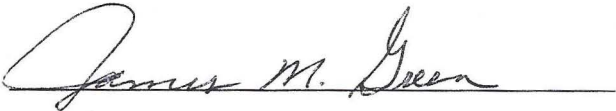
Date 3-21-13

Attest:


Secretary

Purchaser:

CAWOOD WATER DISTRICT

By 

Title Chairman

Date 3-12-2013

Attest:


Secretary

HARLAN MUNICIPAL WATER WORKS
P O BOX 1151
HARLAN, KENTUCKY 40831-1151
PHONE: 606-573-1540
FAX: 606-573-1543

RATE CHANGES
DATE PLACED INTO EFFECT

	<u>JULY</u> <u>1980</u>	<u>JUNE</u> <u>1983</u>	<u>JAN.</u> <u>1987</u>	<u>JULY</u> <u>1993</u>	<u>SEPT.</u> <u>1999</u>	<u>OCT.</u> <u>2003</u>	<u>OCT.</u> <u>2013</u>
0 - 2000 GALLONS (MINIMUM	5.40	6.25	7.50	8.85	9.95	13.08	14.75
2,000 - 10,000 (PER 1,000 GALLONS)	1.32	1.52	1.82	2.15	3.00	3.95	4.45
10,000 - 25,000 (PER 1,000 GALLONS)	1.02	1.18	1.42	1.68	2.75	3.62	4.08
25,000 - 100,000 (per 1,000 GALLONS)	.90	1.04	1.25	1.48	2.40	3.18	3.58
100,000 - BAL. (PER 1,000 GALLONS)	.80	.93	1.12	1.32	2.15	2.83	3.19

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Case No. 2019-00041
Request for Documents contained in
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2. A copy of all documents, including but not limited to contracts, amendments to contracts, letters, e-mails and communications of every type which set out the price the utility charges for wholesale water sales to other water districts, water associations, municipal water utilities, and investor-owned utilities.

Response:

Cawood Waster District does not and has not made water sales to other water districts, associations or utilities.

