

"ATTACHMENT H" RECEIVED

AUG 15 1985
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WATER PURCHASE CONTRACT APR 24 1989

DIVISION OF UTILITY
ENGINEERING & SERVICES

This contract for the sale and purchase of water is entered into as of the 24 day of April, 1989 between the Trimble County Water District, Bedford, Kentucky

(Address)

hereinafter referred to as the "Seller" and the West Carroll County Water District, of Carrollton, Carroll County, Kentucky 41008

PUBLIC SERVICE COMMISSION
OF KENTUCKY

(Address)

hereinafter referred to as the "Purchaser",

APR 18 1988

WITNESSETH:

PURSUANT TO KRS 5:011,
CHAPTER 14

Whereas, the Purchaser is organized and established under the provisions 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 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 Unanimous decision No. _____ enacted on the 16th of January, 1974, by the Seller, the sale of water to the Purchaser in accord

with the provisions of the said sales agreement was approved, and the execution of this contract carrying out the said agreement by the Trimble County Water District, Inc. and attested by the Secretary, was duly authorized, and

Whereas, by unanimous decision of the West Carroll Co. Water Dist., Commission of the Purchaser, enacted on the 18th day of January, 1977

the purchase of water from the Seller in accordance with the terms set forth in the said Purchase Agreement was approved, and the execution of this contract by the West Carroll Co. Water District, Inc. 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 State Board of Health

in such quantity as may be required by the Purchaser not to exceed 500,000 gallons per month.

2. (Point of Delivery and Pressure) That water will be furnished at a reasonably constant pressure calculated at 60 psi from an existing six (6) inch main supply at a point located at intersection of New Hope Road with U.S. Highway #421

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 12 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 15th day 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 1st 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 10th day of each month, for water delivered in accordance with the following schedule of rates:

- a. \$ _____ for the first _____ gallons, which amount shall also be the minimum rate per month.
- b. \$ _____ cents per 1000 gallons for water in excess of _____ gallons but less than _____ gallons.
- c. \$ _____ cents per 1000 gallons for water in excess of _____ gallons.

2. To furnish and install all necessary metering equipment, meter and meter pit with bypass in lieu of paying a connection fee to the seller.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

*1.a. Flat rate of 45¢ per 1,000 gallons.

APR 18 1988

PURSUANT TO 1977 KAN 5:011,
SECTION 9.01)
BY: [Signature]
PUBLIC SERVICE COMMISSION MANAGER

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 _____ dollars which shall cover any and all costs of the Seller for installation of the metering equipment and _____

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 60 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 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.

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 \$ 500.00 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 five (5) 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.

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. (Pledge) This contract is hereby pledged to the United States of America, acting through the Farmers Home Administration, as part of the security for a loan from the United States of America.

P.O.
A.S.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EXECUTIVE

APR 18 1988

PURSUANT TO 207 KAR 5.011,
SECTION 9(1)

BY: [Signature]
PUBLIC SERVICE COMMISSION MANAGER

W.R.
H.A.G.

In witness whereof, the parties hereto, acting under authority of their respective governing bodies, have caused this contract to be duly executed in 3 counterparts, each of which shall constitute an original.

Seller:

TRIMBLE COUNTY WATER DISTRICT

By Hubert Stark
Hubert Stark
Chairman
Title

Attest:

Harold Bryan
Secretary

Purchaser:

WEST CARROLL COUNTY WATER DISTRICT
By Woodson Robertson
Woodson Robertson
Title Commission Chairman

Attest:

Harold Bryan
Secretary

Trimble County Water District

This contract is approved on behalf of the Farmers Home Administration this 2 day of December

19 74

By Lytle I. Harmon
Lytle I. Harmon
Title Chief Community Program

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EXECUTIVE

APR 18 1988

PURSUANT TO 7 KAR 5:011,
SECTION 1(1)
BY: [Signature]
PUBLIC SERVICE COMMISSION MANAGER

TRIMBLE COUNTY WATER DISTRICT NO. 1

POST OFFICE BOX 63
BEDFORD, KENTUCKY 40006

May 2, 2002

Vickie Edwards, Chairman
West Carroll Water Board
1899 Hunters Height Rd.
Milton, KY 40045

Dear Ms. Edwards,

Trimble County Water District No.1 has submitted a contract for the West Carroll Water Board to review at their next meeting for approval. Several years ago you and our District Board discussed the matter concerning the contract revisions.

I ask that you review a copy of the contract. You will notice that the Trimble County Water District has raised the amount of water that will be available from 500,000 to 2,000,000 gallons of water. The cost for each 1000 gallons will remain at \$1.74.

However, the District did add that every thousand gallons of water after 2,000,000 be at \$15.00 per thousand. This will help West Carroll in the future to request that the contracted amount of water available be raised when necessary. This will also help Trimble County Water District No.1 pay for any studies that must be done to evaluate if their system can handle supplying more than 2,000,000 gallons. Hopefully with this clause in the contract we will all review this more often.

We appreciate your patience with our District while we completed our comprehensive plan before we committed to 2,000,000 gallons of water.

Attached you will see the usage from 1999 to present that West Carroll Water District required from our District. We feel that you would have to have considerable growth or a tremendous leak before having to request additional supply from our District. There is approximately 500,000 gallons lead way before your District would need more than 2,000,000 gallons of water.

Should you have any questions, or comments please do not hesitate to contact me.

Thank you,



Darra J. Smith
District Manager

Month	Usage	Notes
Jan-99	1300.1	
Feb-99	1402.2	
Mar-99	1384.9	
Apr-99	1377.7	
May-99	829.4	
Jun-99	1759.7	
Jul-99	1569.3	
Aug-99	1693.8	
Sep-99	1510.4	
Oct-99	1682.1	
Nov-99	1331.7	
Dec-99	1546.2	
Jan-00	1330.1	
Feb-00	1483.3	
Mar-00	1550.9	
Apr-00	1296	
May-00	1178.9	
Jun-00	1497.3	
Jul-00	1516.8	
Aug-00	1397	
Sep-00	1326.1	
Oct-00	1245	
Nov-00	1358	
Dec-00	1195.9	
Jan-01	1291.4	
Feb-01	1786.5	Documented Leak contacted West Carroll Side
Mar-01	1470.1	
Apr-01	1126.9	
May-01	1266	
Jun-01	1362.6	
Jul-01	1349.4	
Aug-01	1488.8	
Sep-01	1473.3	
Oct-01	1292.1	
Nov-01	1685.8	Documented Leak contacted West Carroll Side
Dec-01	1476.9	
Jan-02	1261.1	
Feb-02	1326.3	
Mar-02	1345.2	
Apr-02	900	Documented verified West Carroll using emergency booster

Trimble County Water District has recently installed a telemetry system and can monitor fluctuation in the usage of West Carroll Water District. If a significant change occurs the operator of the system has been instructed to contact Carrollton Utilities.

Secretary
Gary L. Wentworth

TRIMBLE COUNTY WATER DISTRICT NO. 1
POST OFFICE BOX 63
BEDFORD, KENTUCKY 40006

Chairman
Walter A. Logan

Treasurer
Merle W. Jackson

June 22, 1999

West Carroll Water District
Post Office Box 45
Carrollton, KY 41008

To Whom It May Concern:

Trimble County Water District Commission wants to thank you for attending our meeting on June 7, 1999. As you are aware Trimble County Water District voted on May 12, 1999 to enforce a tap ban on new water services and line extensions not approved or pre-paid before this May 12, 1999 to its existing water mains. The contract between West Carroll Water District and Trimble County Water District is for 500,000 gallons of water per month. Your system is currently using on average 1,500,000 gallons of water per month. At this meeting Ms. Edwards and Mr. Ballinger agreed to discuss in the future the rewriting of a contract between the two companies and comply with the tap ban enforcement until Trimble County Water District can correct Brays booster and pump station and increase the pumping capacity.

We appreciate your cooperation in this matter and will contact your company once the corrections have been made to our booster and pump station and the tap ban has been lifted.

Should you have any questions, please contact me at (502) 255-7554.

Sincerely,



Darra J. Smith, Manager
Trimble County Water District No.1



OFFICE OF
PERRY R. ARNOLD
TRIMBLE COUNTY ATTORNEY
543 WEST STREET
P.O. BOX 274
BEDFORD, KENTUCKY 40006
(502) 255-3331
(502) 255-3332
FAX (502) 255-3331

August 30, 2002

Ms. Vickie Edwards
Chairperson
West Carroll Water District
1899 Hunters Height Rd.
Milton, Ky 40045

Dear Ms. Edwards:

As Trimble County Attorney I represent the Trimble County Water District No. 1. At a meeting of the Water Board on August 28, 2002 they asked me to write this letter regarding the contract modification that was sent to West Carroll Water District this past spring.

Trimble County Water District has heard nothing back about the requested modification. If your water board does not respond within fifteen days of the date of this letter, Trimble County Water District No. 1 will assume that you agree to the billing terms of the contract modification and will begin to bill you according to that modification. Please have your Board respond.

If you have questions about this, please contact Darra Smith, Manager, Trimble County Water District at (502) 255-7544.

Thank you for your kind attention to this matter and have a nice day.

Yours truly,

A handwritten signature in cursive script that reads "Perry R. Arnold".

Perry R. Arnold

Fax

To: Darra Smith
Of: Trimble County Water District
Fax: 502-255-7559
Pages: 1, including this cover sheet.
Date: May 28, 2002

Notes:

Darra

As requested here are my comments concerning the Trimble County/West Carroll Contract for Services:

1. Propose amending existing 60 year contract to bring it up to date rather than starting over with new contract.
2. Penalty for greater than 2,000,000 gallons is excessive.
3. Pressure of 30 psi should be increased to meet West Carroll's need to at least fill storage tank.
4. Meter test frequency should be at least annually
5. Add requirement that Seller will provide data needed for annual CCR with dates.
6. Add clause to allow for increase in water waters with notice given to purchaser at least XX days prior to allow purchaser to implement appropriate water rate adjustment.
7. Extend term of contract to year 2052 (fifty years).

Thanks

From the desk of.
BILL R. OSBORNE, P.E.
GENERAL MANAGER
CARROLLTON UTILITIES
P.O. BOX 269
CARROLLTON, KENTUCKY 41008
(502)732-7055
FAX (502) 732-7058
E-MAIL billos@bellsouth.net.

TRIMBLE COUNTY WATER DISTRICT NO. 1

POST OFFICE BOX 63
BEDFORD, KENTUCKY 40006

May 2, 2002

West Carroll Water Board
C/O Carrollton Utilities
Post Office Box 269
Carrollton, KY 41008
Attn: Bill Osborne

RE: Agenda Request

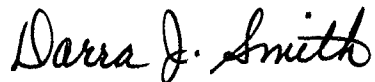
Dear Bill,

Please submit the enclosed contract to the West Carroll Water Board. Enclosed you will find two (2) original contracts, so that each entity will have an original copy for their files.

I have submitted a letter to each Board Member explaining the contract and asking them to contact me should they have any questions.

Should you have any questions, please do not hesitate to contact me.

Thank you,



Darra J. Smith
District Manager