

WATER PURCHASE CONTRACT

This contract for the sale and purchase of water entered into on the 13 day of May, 2008, between South Hopkins Water District, 129 South Main Street, Dawson Springs, Kentucky 42408, a Water District created under Kentucky Revised Statutes, situated in Hopkins County, Kentucky hereinafter referred as "Seller" and the City of Earlington, 103 West Main Street, Earlington, Kentucky 42410, hereinafter referred to as "Purchaser".

WITNESSETH

WHEREAS, the purchaser is established as a fourth class city and organized for operating a water supply distribution system, serving 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 Sellers system and the estimated number of water users to be served by the Purchaser on file in the office of the purchaser, and

WHEREAS, by Resolution enacted on the 15th day of April, 2008, by the Seller, the sale of water to the Purchaser in accordance with the provisions of said Resolution was approved, and execution of this Contract carrying out the said Resolution by Board Chairman, Robert J. Tucker, of the South Hopkins Water District, and

WHEREAS, by Resolution of the City of Earlington enacted on the 17 day of May, 2008, 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 Michael W. Seiber, Mayor of the City of Earlington, Kentucky.

WHEREAS, this agreement, prior to and as a condition precedent to its entry into force, shall be submitted to the Kentucky Public Service Commission for approval.

NOW THEREFORE, in consideration of the foregoing and the mutual covenants and agreements hereinafter set forth,

A. The Seller Agrees:

1. (Quality and Quantity) To furnish the purchaser at the point of delivery which shall be a master meter located on West Side Street during the term of this contract or any renewal or extension thereof, potable treated water meeting applicable purity standards of the Kentucky Department of Health as may be required by the Purchaser.

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

By Stephanie Hunter
 Executive Director

2. (Accounting System) To establish an accounting system satisfactory to all parties in calculating the cost per 1,000 gallons of producing and delivering water to the Purchaser.

3. (Metering Equipment) To furnish at the point of delivery the necessary metering equipment for properly measuring the quantity to the Purchaser. Meters shall be checked, calibrated and handled in accordance with KAR 807 5:066, amendments thereto or successive issues thereof. If any meter fails to register for any period, the amount of water furnished during such period shall be deemed to be the amount delivered in the corresponding period immediately prior to the failure. The metering equipment shall be read on or about the 20th 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 reading.

4. (Billing Procedure) To furnish the Purchaser at the above address not later than the 1st day of each month with a statement of the amount of water furnished the Purchaser during the preceding month.

B. The Purchaser agrees:

1. (Rates and Payment Dates) To pay the Seller not later than the 20th day of each month for water delivered in accordance with the following schedule of rates:

The Seller's cost per 1000 gallons from their supplier, Dawson Springs City Water, as determined by annual audit report of a Certified Public Accountant employed by Dawson Springs City Water to determine the true operation and maintenance cost of water production, plus additional pumping cost, plus amortization of supply system facilities (\$0.12/m), times 1.25.

The audit period will cover a fiscal year (July 1 to June 30). This rate will be billed the following year. Each year-end audit shall determine if the payments for the past year have been overpaid or underpaid. Overpayments shall be refunded or credited to the Purchaser's next monthly billed charges. Underpayments will be billed and collected on the next payment date after the audit. This year-end procedure shall be repeated annually at the end of each operating (fiscal) year.

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 6/28/2008 years from the date of this contract and thereafter may be renewed or THIS CONTRACT IS SUBJECT TO 807 KAR 5:011 SECTION 9 (1)

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By Stephanie Gumber
Executive Director

extended for such term or terms, as may be agreed upon by the Seller and Purchaser.

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 Purchaser with quantities of water required by 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 customers shall be reduced or diminished in the same ratio or proportion as the supply of Seller's customers is reduced or diminished.

3. (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 June each year. Other provisions of this Contract may be modified or altered by mutual agreement.

4. (Regulatory Agencies) 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. (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 Purchaser hereunder.

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

SOUTH HOPKINS WATER DISTRICT

By Robert J. Tucker
Robert J. Tucker, Chairman

Attest Ray D. McEwen
SECRETARY

CITY OF EARLINGTON

By Michael W. Seiber
Michael W. Seiber, Mayor

Attest Julia R. DeBerry
PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
6/26/2008
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)
By Stephanie Rumber
Executive Director

10/29/15
RECEIVED

FIRST AMENDMENT TO WATER PURCHASE CONTRACT OF MAY 13, 2008

This First Amendment to Water Purchase Contract of May 13, 2008, made and entered into by and between South Hopkins Water District, referred to therein as Seller, and City of Earlington, referred to therein as Purchaser:

WHEREAS, the parties entered into a contract for the sale and purchase of water on May 13, 2008, and,

WHEREAS, it is the desire and intention of the parties to continue their present relationship as Seller and Purchaser, requiring the amendment of that contract;

NOW, THEREFORE, the parties do hereby, and in consideration of the recitals hereinabove set forth, amend said contract as hereinafter set forth:

AMENDMENT

Paragraph (B)(1) of said Contract requires Purchaser to pay the Seller not later than the 20th day of each month for water delivered.

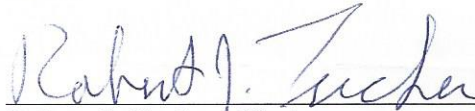
Inasmuch as the Seller and Purchaser wish to change the due date of the bill, Paragraph (B)(1) is hereby amended to change the date of payment to the 30th day of each month.

Except as amended hereby, the parties' contract of May 13, 2008 is hereby reaffirmed,

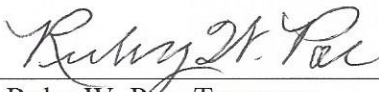
Executed on this 29th day of October, 2015.

SOUTH HOPKINS WATER DISTRICT

Seller

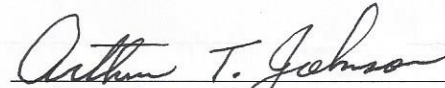

Robert J. Tucker, Chairman

Attest:

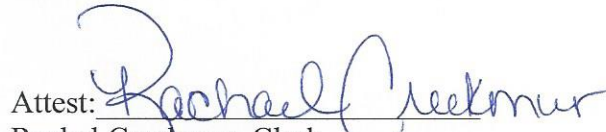

Ruby W. Poe, Treasurer

CITY OF EARLINGTON

Purchaser


Arthur Johnson, Mayor

Attest:


Rachel Creekmur, Clerk