

**INTERLOCAL COOPERATION WATER  
PURCHASE AGREEMENT  
(KRS 65.210 - 65.300)**

RECEIVED

FEB 17 2004

PUBLIC SERVICE  
COMMISSION

THIS INTERLOCAL COOPERATION WATER PURCHASE AGREEMENT for the sale and purchase of water is entered into as of the \_\_\_\_ day of \_\_\_\_\_, 2004, between **SOUTH HOPKINS WATER DISTRICT**, P. O. Box 487, Dawson Springs, Kentucky 42408, a Water District created under Kentucky Revised Statutes, situated in Hopkins County, Kentucky, hereinafter referred to as "Seller" and the **CALDWELL COUNTY WATER DISTRICT**, 118 West Market Street, Princeton, Kentucky 42445, a Water District created under Kentucky Revised Statutes situated in Caldwell County, Kentucky, hereinafter referred to as "Purchaser."

WITNESSETH

WHEREAS, the Purchaser is established and organized for the purpose of constructing and 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 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 enacted on the 14<sup>th</sup> day of May, 2002, by the Seller, the sale of water to the purchaser in accordance with the provisions of said Resolution was approved, and the execution of this contract carrying out the said Resolution by Board Chairman, Edwin Martin, of the South Hopkins Water District, and

WHEREAS, by Resolution of Caldwell County Water District enacted on the 12<sup>th</sup> day of FEBRUARY 2004, 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 Gary Fuller, Chairman of Caldwell County Water District;

WHEREAS, pursuant to KRS 65.260(2), this agreement, prior to and as a condition precedent to its entry into force, shall be submitted to the Attorney General who shall determine whether the agreement is in proper form and compatible with the laws of this state.

NOW THEREFORE, in consideration of the foregoing and the mutual agreements hereinafter set forth, and subject to the approval of the Kentucky Attorney General,

A. The Seller Agrees:

MAR 18 2004

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

BY Charles W. Dill  
EXECUTIVE DIRECTOR

1. (Quality and Quantity) To furnish the Purchaser at the point of delivery hereinafter specified during the term of this Contract or any renewal of or extension thereof potable treated water meeting applicable purity standards of the Commonwealth of Kentucky, in such quantity as may be required by the Purchaser, not exceeding 250,000 (two hundred fifty thousand) gallons per month and not to exceed 15,000 (fifteen thousand) gallons in any 24-hour period unless an emergency exists. In case of an emergency that required the Purchaser to exceed the daily limit the Purchaser would immediately notify the Seller the emergency did exist.

2. (Point of Delivery and Pressure) The point of delivery shall be a Master Meter on Board Road in Caldwell County, Kentucky, at or near the West Kentucky Parkway.

3. (Billing Procedures) To furnish the Purchaser at the above address not later than the 10<sup>th</sup> 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 20<sup>th</sup> day of each month, for water delivered in accordance with the following schedule of rates:

Cost of water from Dawson Springs, plus amortization of supply facilities (.12/m), plus additional pumping costs, plus 25%.

2. (Metering Equipment) To supply, install and operate, 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 test and calibrate the metering equipment in compliance with 807 KAR 5:066, amendments thereto or successive issues thereof.

C. It is further mutually agreed between the Seller and the Purchaser as follow:

1. (Term of Contract) That this Contract shall extend for a term of 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.

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

MAR 18 2004

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

BY Charles L. Dow  
EXECUTIVE DIRECTOR



2. (Delivery of Water) That 30 days prior to the estimated date of completion of construction of the Purchaser's water distribution system, the Purchaser will notify the Seller in writing the date for initial delivery of water.

3. (Water for Testing) When requested by Purchaser the Seller will make available to the contractor at the point of delivery water sufficient for testing, flushing, and trench filing the system of the Purchaser during construction, irrespective of whether the metering equipment has been installed at the time at a flat charge of \$1.67 per 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 Purchaser's customers shall be reduced or diminished in the same ratio or proportion as the supply to Seller's customers 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 July each year. 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. (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 governing bodies, have caused this Contract to be duly executed in two counterparts, each of which shall constitute an Original.

PUBLIC SERVICE COMMISSION  
EFFECTIVE

MAR 18 2004

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

BY Charles L. Dorn  
EXECUTIVE DIRECTOR

SOUTH HOPKINS WATER DISTRICT

By Edwin Martin  
Edwin Martin, Chairman

CALDWELL COUNTY WATER DISTRICT

By \_\_\_\_\_  
Gary Fuller, Chairman

APPROVED:

KENTUCKY ATTORNEY GENERAL

By \_\_\_\_\_

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

MAR 18 2004

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

BY Charles L. Dore  
EXECUTIVE DIRECTOR