

WATER PURCHASE CONTRACT

This contract for the sale and purchase of water is entered into as of the 6th day of February, 1984, between the SOUTH HOPKINS WATER DISTRICT, a Water District created under Kentucky Revised Statutes, situated in Hopkins County, Kentucky, hereinafter referred to as the "Seller" and the City of Mortons Gap, a municipal corporation of the 5th class in Hopkins County, Kentucky, hereinafter referred to as the "Purchaser".

A. THE SELLER AGREES:

1. (Quality and Quantity) To furnish the purchaser at the point of delivery, which is a master meter located on Morton Street and US Highway 41A, during this contract or any renewal or extension thereof, potable treated water meeting purity standards of the Kentucky Department of Health in the quantity of (FIVE MILLION) 5,000,000 gallons per month and not to exceed (TWO HUNDRED FIFTY) 250,000 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 that the emergency did so exist.

2. (Metering equipment) To furnish, install, and operate at the point of delivery, the necessary metering equipment of standard type for properly measuring the quantity to the Purchaser. 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, unless Seller and Purchaser shall agree upon a different amount.

The metering equipment shall be read on 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 readings.

4. (Billing) To furnish the Purchaser at their 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 20th day of each month, for water delivered in accordance with a rate schedule determined as follows.

a. The Sellers cost per 1000 gallons from their Supplier plus the electrical cost per 1000 gallons to pump X 1.25.

2. (Quantity) The Purchaser agrees the only time they will exceed the daily contracted use of water will be for an immediate emergency. If such emergency should exist the Purchaser will notify the Seller immediately that such emergency does so exist.

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 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 Seller and Purchaser.

2. (Availability of Water) The Purchaser will be considered the same as any other individual customer of the Seller, when water is available to one customer it will be made available to all customers. The Purchaser and Seller will maintain their respective distribution systems in the best state of repair possible to prevent water loss so as to maintain the availability of water to all customers.

3. (Successor to the Purchaser or Seller) That in the event of any occurrence rendering the Purchaser or Seller incapable of performing under this contract, any successor of Purchaser or Seller, shall succeed to the rights of the Purchaser or Seller hereunder.

4. This contract will be renegotiable when the cities (Mortons Gap) water usage reaches 50,000,000 gallons annually. The city of Mortons Gap will be given a 30 day notice of any rate increases from the district.

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

Seller:

South Hopkins Water District

By Donald P. Allen

ATTEST:

James A. Lewis
Secretary

Purchaser:

City of Mortons Gap

By Lindell Reed, Mayor

ATTEST:

Jane Harris
Secretary

**FIRST AMENDMENT TO WATER PURCHASE
CONTRACT OF FEBRUARY 6, 1984**

This First Amendment to Water Purchase Contract of February 6, 1984, made and entered into by and between South Hopkins Water, referred to therein as "Seller," and City of Mortons Gap, Kentucky therein referred to as the "Purchaser,"

WHEREAS, the parties entered into a contract for the sale and purchase of water on February 6, 1984, and;

WHEREAS, it is the desire and intention of the parties to continue and extend the term of 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 (C) (1) (Term of Contract) of said Contract provides for a contract 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 Seller and Purchaser.

Inasmuch as the Seller and Purchaser wish to extend the contract term, Paragraph (C) (1) (Term of Contract) is hereby amended to extend the term of the Water Purchase Contract for a period of forty-two (42) years from the date of the execution of this amendment.

Except as amended hereby, the parties contract of February 6, 1984, is hereby reaffirmed,

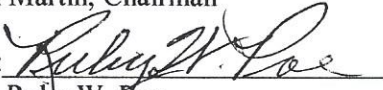
Executed on this 15th day of Aug., 2001.


SOUTH HOPKINS WATER DISTRICT
Seller

CITY OF MORTONS GAP
Purchaser


Edwin Martin, Chairman


Frank Stafford, Mayor

Attest: 
Ruby W. Joe
Secretary/Treasurer

Attest: 
June Harris
Clerk

Prepared By:

