

**Wholesale Water Purchase Agreement Between  
U.S. Army Fort Knox Directorate of Public Works  
AND  
Hardin County Water District No. 1**

WITNESSETH:

WHEREAS, U.S. Army Fort Knox, Kentucky and Hardin County Water District No. 1 agree that it would be mutually beneficial for the entities to participate in the wholesale of water between the two water systems for the resiliency and redundancy it provides to the community for the availability of potable water.

WHEREAS, Hardin County Water District No. 1 was awarded a utility privatization contract with the U.S. Department of Defense through the Defense Logistics Agency (DLA) for a 50 year period to own, operate and maintain the Fort Knox, KY water system. The contract expires in the year 2061

WHEREAS, Both parties acknowledge that the Government owns the water commodity as stated in HCWD1's water utility privatization contract (SP060011C8271) with the Defense Logistics Agency.

NOW, THEREFORE, in consideration of the terms set forth herein, the receipt and sufficiency of which is hereby acknowledged, Fort Knox and HCWD1 ("Parties") agree as follows:

1. **Agreement to Sell Water:** The U.S. Army at Fort Knox, Kentucky and its subdivision the Directorate of Public Works (DPW) hereby agrees to sell water to Hardin County Water District No. 1 (HCWD1) pursuant to the terms and conditions set forth herein.
2. **Term:** The contract term shall be for five years (5) years from the date of execution. Thereafter, the contract term shall be renewable for five (5) year successive terms. Either party may terminate this Agreement with twelve (12) months' advance written notice to the other party.
3. **Metering and Service Connections:** Fort Knox has two service connection points to sell water to HCWD1.
  - 1) Prichard Pump Station (Bldg. 4774)  
6" Mag meter  
Current Fort Knox billing account number: 0000701700
  - 2) Carpenter Test Road (adjacent to Bldg. 9200)  
2" positive displacement meter  
Current Fort Knox billing account number: 0000080200

4. **Meter Testing and Accuracy:** The District shall be responsible to test and maintain all meters in accordance with PSC regulations and standards. A DPW designated official has the right to be present during any meter test or field maintenance. A meter registering within the acceptable limits as identified by PSC regulations and standards shall be deemed to be accurate. If the meter fails or is not registering accurately, water consumption will be estimated by an engineering calculation upon discussion and approval by both parties. The meter will be maintained, tested and replaced (if/when necessary) by HCWD1. An official or agent of DPW shall have access to the meters at reasonable times for the purpose of verifying the meters' readings and HCWD1 agrees to provide meter testing data to DPW upon request.
5. **Billing Procedures:** The meters will be read by HCWD1 on a monthly basis. The meter readings will be recorded and distributed via email to Fort Knox DPW within HCWD1's monthly meter reading report. Bills will be rendered monthly to HCWD1 by Fort Knox.
6. **Rates and Charges:** Fort Knox DPW agrees to charge and HCWD1 agrees to pay a rate of \$3.35 per thousand gallons which is a regionally comparable wholesale water rate in the Louisville and Elizabethtown, KY area. There will not be any other additional charges or fees beyond the per thousand gallon wholesale rate. DPW may adjust the price once annually by reviewing wholesale water rates of Hardin County Water District No. 1, Hardin County Water District No. 2 and the Louisville Water Company.
7. **Water Quality:** The water furnished by Fort Knox shall meet all state and federal standards for water quality. As the owner and operator of the Fort Knox water system via its utility privatization contract, HCWD1 is responsible for Fort Knox's water quality and therefore responsible for the water quality at all of Fort Knox's service connection points.
8. **Release of Liability:** As a wholesale customer, HCWD1 agrees to release and discharge Fort Knox from all claims or liability related to water quality or interruption of service and HCWD1 agrees that it shall maintain its own testing, sampling, system flushing and system maintenance as required by state laws and regulations applying to public water systems. This waiver shall not be construed to release either party from any claim brought against either by a third party or to waive other legal rights or remedies allowed by state or federal laws.
9. **Volume:** Fort Knox DPW and HCWD1 agree that this wholesale water purchase agreement provides no guaranteed maximum/minimum flow rate or volume obligation to provide system capacity to HCWD1. The 6-inch meter connection point at the Prichard Pump Station (Bldg. 4774) is a stand-by connection available to HCWD1 for use as needed. The 2-inch meter connection point at Carpenter Test Road is a low volume, continuous duty, single service connection available to HCWD1 for use as needed.

The amounts agreed to be made available by Fort Knox under the terms of this

Agreement are;

- a. 0 Gallons per minute - will be determined by Fort Knox DPW when observing the total flow rate at one or multiple connection points at any given time. The actual flow rate must continue for at least fifteen (15) minutes before that rate will qualify to be limited to this amount or rate.
  - b. 0 Maximum day gallons - will be determined from HCWD1's daily SCADA records for the 6-inch Prichard Pump Station meter. Daily reading data is not currently available for the 2-inch Carpenter Test Road meter.
  - c. Certain temporary maintenance or hydraulic conditions may cause Fort Knox to decrease or increase available volumes. These may include, but not limited to: required and scheduled maintenance of the Fort Knox water system, unscheduled equipment breakdowns, or Fort Knox military installation mission requirements. Fort Knox DPW will make every effort to give all wholesale customers as much advance notice as possible of when flows may be reduced or interrupted so they may be prepared.
  - d. The pressure delivered to a connection point shall meet levels regulated by the PSC and Division of Water and shall be measured as static against a closed valve.
  - e. In the event of a shortage of water, or in the event that the overall supply of water available from Fort Knox is diminished, Fort Knox may reduce flow rate and volume to HCWD1 in an amount as necessary to ensure sustained volumes to meet demand of the Fort Knox cantonment area as first priority, then the City of Muldraugh as second priority.
10. **Exclusive Relationship with Hardin County Water District No. 1:** HCWD1's utility privatization contract for the Fort Knox water system is a fixed fee contract. Therefore, Fort Knox will not wholesale water to other public water systems (PWS) except to the City of Muldraugh and HCWD1. Further, the City of Muldraugh public water system will not be permitted to wholesale water to another PWS through its water distribution system without expressed written consent from Fort Knox DPW and HCWD1's Board of Commissioners.
11. **Agreement Subject to PSC Approval:** All terms, conditions and provisions set forth herein shall not be binding on the parties until such time as this Agreement has been approved by the KY PSC.
12. **Execution and Signatures:** The following representatives have been authorized to sign and execute this Agreement and have read and agreed to its terms and conditions. This Agreement is entered into on the 27 day of August, 2024 by and between the Board of Commissioners of Hardin County Water District No. 1 and U.S. Army, Directorate of Public Works, Fort Knox, KY

