

EXHIBIT B

SEWER CONTRACT

THIS CONTRACT, made and entered into as of June 25, 1984, by and between the CITY OF MADISONVILLE, Kentucky, a municipal corporation of the fourth class, situated in Hopkins County, Kentucky, party of the first part, hereinafter referred to as Madisonville, and the CITY OF HANSON, a municipal corporation of the sixth class, situated in Hopkins County, Kentucky, party of the second part, hereinafter referred to as Hanson, both parties acting by and through their City Councils as their respective duly authorized and lawfully constituted governing bodies.

W I T N E S S E T H :

WHEREAS, Madisonville has in operation at this time a municipally owned sewage collection system, together with sewage treatment and disposal facilities, and Hanson desires to construct a municipally owned sewage collection system; and

WHEREAS, both cities have heretofore adopted appropriate resolutions evidencing their willingness and agreement to participate in 201 Facilities Plans in accordance with the requirements of P.L. 92-500, and

WHEREAS, the 201 Plan stipulated for the two cities specifies that the most cost feasible and cost effective plan of effecting compliance with such 201 Plan is for Madisonville to operate the appropriate sewage transportation and disposal facilities necessary to enable Madisonville to transport the wastewater and sewage (collectively "wastewater") collected from Hanson, together with the wastewater collected by Madisonville, to a central disposal point, for treatment and disposal by the Madisonville facilities, and

WHEREAS, a necessary ingredient of such plan involves a contractual relationship between the two cities in which both cities will agree to comply with the required conditions prerequisite to the approval and payment of an EPA grant to Madisonville as the lead agent for both cities in operating the necessary facilities to assure compliance with the aforesaid requirements, and

WHEREAS, the EPA grant standard conditions require that the Grantee (in this case, Madisonville) "develop and adopt User Charge and Industrial Cost Recovery Systems pursuant to Section 204(b) of the Federal Water Pollution Control Act Amendments of 1972 (P.L. 92-500) and 40 CFR Part 35, including regulations published in Federal Register, Vol. 39, No. 29, February 11, 1974", which must be embodied in a sewer use ordinance, which is required to be "developed, submitted and approved" pursuant to 40 CFR 35.927-4 and 35.935-16, and

WHEREAS, the special conditions of the EPA grant require that "prior to contract award, the Grantee must submit to EPA a properly executed agreement between the cities of Hanson and Madisonville on procedures to be followed for the joint treatment of their wastewater", and it is contemplated by the parties that this agreement will satisfy such condition,

NOW, THEREFORE, IT IS HEREBY MUTUALLY AGREED AND COVENANTED BY THE PARTIES, AS FOLLOWS:

1. Both of the Cities shall own and operate their respective existing sewage collection facilities and systems (hereinafter each collection system will be referred to as the "System" and the disposal and treatment facility will be referred to as the "Plant").

2. Prior to and subsequent to the Completion Date of its System, Hanson shall retain title to and the use of its existing System and will provide all operation and maintenance of such System, without obligation on the part of Madisonville.

3. From and after said Completion Date, Hanson shall operate, maintain and use its System, and shall collect sewage from its System, which sewage will then be transported by Hanson to the Point of Origin. Madisonville shall transport the sewage from the Point of Origin to Madisonville's existing sewage disposal facilities and system ("Facilities"), where the collected sewage will be treated.

4. Each party agrees that it will comply with all applicable EPA grant conditions necessary to obtain available Federal grants, including those set out in letter dated September

30, 1977, addressed to the Mayor of Madisonville, identified as #C210346030 made a part hereof the same as if copied in full herein.

5. The parties specifically acknowledge that such conditions include, but not by way of limitation, the agreement of Hanson to adopt a sewer use ordinance, which will be developed, submitted and approved pursuant to the requirements specified in 40 CFR, 35.927-4 and 35.935-16, and approved by the City of Madisonville.

6. The rates charged by Madisonville to Hanson and to be paid by Hanson to Madisonville for the services rendered by Madisonville in transporting such wastewater from the Point of Origin to the Facilities, and the treatment thereof by such facilities, shall be the same rate as that charged by Madisonville for services rendered to other customers of the Madisonville System. Hanson shall have the right to review at the time of any rate increase the reasons for any rate increase and shall be given notice prior to same being enacted so that Hanson can have input into the rate increase decision which it is understood would ultimately be made by the City Council of the City of Madisonville.

7. The quantity of wastewater transported by Madisonville, and for which the charge is made to and payable by Hanson, shall be determined by measurement of the wastewater prior to discharge into the Madisonville system, as determined by the appropriate flow meter installed at Hanson Pump Station, which meter will be maintained solely for the purpose of measuring such quantity of wastewater so transported by Hanson to Madisonville. Such meter will be maintained and operated by Madisonville at Madisonville's expense. Madisonville shall furnish, install, operate and maintain at Madisonville's expense the necessary metering equipment, including the required devices of standard type for properly measuring such collected wastewater and shall calibrate such metering equipment whenever requested by Hanson, but not more frequently than once each year. A meter registered not more than three percent (3%) above or below the correct

quantity disclosed by the test result, shall be deemed to be accurate. The previous readings of any meter disclosed by tests to be inaccurate shall be corrected for the two months previous to such tests in accordance with the percentage of inaccuracy found by such tests. If any meter fails to register for any period, the amount of wastewater collected during such period shall be deemed to be the amount collected in the corresponding period immediately prior to the failure, unless the parties shall agree upon a different amount. Hanson shall have the right, at any time, upon ten days' notice, to require that the metering equipment be callibrated, provided that if upon such testing, the meter is found to register not more than three percent (3%) above or below the correct quantity disclosed by the test results, the meter shall be deemed to be accurate, in which event, Hanson shall pay the cost of such test. In the event that it is found to register more than three percent (3%) above or below, then Madisonville shall pay the costs of such tests. Such tests shall be performed by a recognized meter testing firm agreed upon by the parties.

8. The point of Origin shall be Station 34 + 90 as indicated on EPA Contract 5, as shown on the plat attached hereto. Madisonville shall maintain the sewage transportation line on the Madisonville side of the Point of Origin. Madisonville also agrees to maintain at Madisonville's expense, all of the metering, testing and connecting of facilities of the pump station at the precise Point of Origin.

9. Madisonville shall have no obligation or responsibility for the maintenance of the Hanson System on the Hanson side of the Point of Origin, and Hanson specifically assumes all obligations and responsibilities for the maintenance of the Hanson System on the Hanson side of the Point of Origin.

10. Hanson shall have no responsibility for the operation and maintenance of the Madisonville System or for the sewage transportation line on the Madisonville side of the Point of Origin, and Madisonville specifically assumes all obligations and responsibilities for the operation and maintenance of the Mad-

isonville System and for the sewage transportation line on the Madisonville side of the Point of Origin.

11. The Cities declare that the Facilities constitute essential governmental projects, beneficial to both Cities, and the Cities shall use and employ their powers to the fullest extent possible to implement the provisions of this Contract. The Cities also acknowledge the fact that the arrangements contemplated by this Contract constitute the full utilization of maximum savings in a cooperative enterprise between the Cities.

12. This Contract shall be binding upon and shall inure to the benefit of the parties hereto and their successors in interests, grantees and assignees.

13. If any section, clause, paragraph, portion or provision of this Contract shall be invalid, such invalidity shall not affect the validity of any remaining section, clause, paragraph, portion or provision.

IN WITNESS WHEREOF, the parties hereto have hereunto caused their names to be affixed by their duly authorized representatives, duly authorized by their respective governing bodies, all as of the date first hereinabove written.

CITY OF MADISONVILLE, KENTUCKY

By: O. R. Runtz
Mayor

(Seal of City)

Attest:

Lima W. Munger
City Clerk

CITY OF HANSON, KENTUCKY

By: Brenda Phil Schutte
Mayor

(Seal of City)

Attest:

Patsy Brundley
City Clerk



