

WASTEWATER TREATMENT SERVICES
PURCHASE CONTRACT

This contract for the purchase of wastewater treatment services is entered into as of the 20th day of October, 2004, between the Utility Commission of the City of London, Kentucky, 801 North Main Street, P.O. Box 918, London, Kentucky 40743-0918 (hereinafter referred to as the Seller) and the Wood Creek Water District, 1670 Daniel Boone Parkway, London, Kentucky 40741 (hereinafter referred to as the Purchaser).

W I T N E S S E T H

WHEREAS, the Purchaser was created and is existing pursuant to the provisions of Chapter 74 of the Kentucky Revised Statutes, for the purpose of construction and operating a waterworks and sewage collection system serving customers 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 source for wastewater treatment. At this time a new expansion project has been planned, and a modification to the contract is necessary.

WHEREAS, the Seller owns and operates a wastewater treatment works system with a capacity currently capable of serving the present customers of the Seller=s system and the estimated flow of wastewater contributors/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 Ordinance No. 1010 enacted on the 7th day of June, 2002, by the City of London, Kentucky, the sale of wastewater treatment services to the Purchaser in accordance with the provisions of said Ordinance by the City of London, Kentucky and attested by the City of London, Kentucky and attested by the City Clerk, was duly authorized, and

WHEREAS, by Resolution of the Board of Commissioners of the Purchaser, previously adopted on the 11th day of May, 1998, the purchase of wastewater treatment services from the Seller was approved; subsequently the execution of this Contract by the Chairman of the Board of the Purchaser, and attested by the Secretary was duly authorized by the Board of Commissioners of the Purchaser prior to the execution of the same, such approval having occurred on the 7th day of October, 2004.

The London Utility Commission has approved the same on the 20th day of October, 2004 and recommended the same to the Mayor of the City of London.

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

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2/11/2005
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SECTION 9 (1)

By 
Executive Director


A. THE SELLER AGREES:

1. **Quality:** To furnish the Purchaser at the point of delivery hereinafter specified, during the term of this Contract or any renewal or extension thereof, wastewater treatment services meeting and subject to all applicable standards of the Kentucky Natural Resources and Environmental Protection Cabinet, Division of Water.
2. **Quantity:** The Purchaser shall have the right to continue adding additional customers to their system which will increase the amount of wastewater to be treated; however, it is understood that should such additional wastewater create a need for modification to the Seller=s system, the Purchaser agrees to be responsible for a proportional part of the cost of such modifications which are necessary to provide continued service.
3. **Point of Delivery:** That wastewater will be accepted into the Seller=s system at a point(s) of discharge as mutually agreed upon.
4. **Billing Procedure:** To furnish the Purchaser at the above address not later than the 1st day of each month, with an itemized statement of the amount of wastewater delivered to the Purchaser during the preceding monthly billing period.

B. THE PURCHASER AGREES:


1. **Metering Equipment:** To furnish, install, operate and maintain at its own expense and subject to the Seller=s specifications 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 wastewater delivered to the Seller and to calibrate such metering equipment whenever requested by the Seller but not more frequently than once every three (3) months. A meter registering not more than five percent (5%) above or below the test result shall be deemed to be accurate. The previous readings of any meter disclosed by test to be inaccurate shall be corrected for the three (3) months previous to such test in accordance with the percentage of inaccuracy found by such tests. If any meter fails to register for any period, the amount of water discharged during such period shall be deemed to be the amount of water discharged in the corresponding period immediately prior to failure, unless Seller and Purchaser shall agree upon a different amount. The metering equipment shall be read monthly. An appropriate official of the Seller at all reasonable times shall have access to the meter for the purpose of verifying its readings.
2. **Rates and Payment Date:** To pay the Seller, not later than the 20th day of each month for wastewater treated in accordance with the following schedule of rates:
 - a) \$2.48 per 1,000 gallons of wastewater. A 10% surcharge shall be added to all delinquent accounts in accordance with the applicable City Rate Ordinance.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
2/1/2005
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By 
Executive Director

- b It is agreed that modifications of the above rates shall be made in accordance with any amendments to the City of London Ordinance #1010 and that such modifications shall be made on a pro rata basis with any adjustments made in such ordinance. Other modifications in rates shall be made at the end of each one-year period.
3. **Odor Controls:** The purchasers agree to be responsible for implementing odor control measures deemed necessary by the London Utility Commission to properly control odors emitted at the point of discharge to the Seller=s system as well as points immediately downstream from injection point.
 4. **Customer Limits.** The number of Purchaser=s customers to be served by this agreement shall not exceed 200,000 gallons per day. At such time a new expansion project is planned, a modification to the contract must be presented to the London Utility Commission and projected flows submitted and approved before adding additional customers from any such expansions.
 5. **Flow Discharge.** The amount of daily flow discharge shall not exceed 200,000 gallons per day through the A192 pumping station@. Other connection points may be established in flow directed through other pumping stations, but such connection points must be agreed upon by the London Utility Commission. The parties recognize that they may agree as to an new discharge point near the treatment plant and if such occurs, the parties may renegotiate this agreement with regard too the maximum flow of 200,000 gallons per day; however the London Utility Commission is not obligated to do so.
 6. **Modification Costs.** The Purchaser shall bear the cost of any modifications necessary to accommodate additional flows in excess of the volumes specified herein. Should the Purchaser=s system continue to grow, the Seller may require the Purchaser to install a force main to a discharge point closer to the treatment plant or larger pumps may have to be installed by the Purchaser at the pumping stations that handle the flow from the Purchaser=s system.
 7. **Violation of City of London Ordinance 840** The Purchaser agrees to notify the Seller of any potential customers that may have a waste stream that could potentially violate London Ordinance 840 or that a potential customer should be included as a part of the industrial pretreatment program. These specifics are outlined in the existing multi-jurisdictional agreement. The Seller shall pass to the Purchaser any additional costs, fines, expenses, penalties or assessments as a result of the same.
 8. **Expansion Program for 2004-2005 [Moren Road/Hal Rogers Parkway/ Johnson Road/ Hal Rogers Parkway]** Prior to adding customers for this expansion project the Purchaser agrees to move the point of connection from the Moren Road/Hal Rogers Parkway area to a point agreed upon by the Purchaser=s and Seller=s representatives near

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 OF KENTUCKY
 EFFECTIVE
 2/11/2005
 PURSUANT TO 807 KAR 5:011
 SECTION 9 (1)

By  _____
 Executive Director


the intersection of Johnson Road/Hal Rogers Parkway. This change is necessary because of the age, size and current load on the Tobacco Road collector sewer system.

9. Purchaser agrees that any connections to the Seller=s gravity sewer system, the Purchaser must implement controls necessary to insure that all gravity sewer and the associated appurtenances are constructed and operated in such a manner as to eliminate the potential for intrusion of storm or ground water to the satisfaction of the Seller.
10. **Operation Compliance.** The Purchaser shall operate the sewer system in such a manner that the system is in compliance with all City of London Ordinances.

C. IT IS FURTHER MUTUALLY AGREED BETWEEN THE SELLER AND THE PURCHASER AS FOLLOWS:

1. **Term of Contract.** That this contract may be renewed on an annual basis for Forty-Five (45) years from the date of the initial delivery of wastewater treatment 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.
2. **Failure to Deliver.** That the Seller shall, at all times, operate and maintain its system in an efficient manner and shall undertake to furnish the Purchaser with wastewater treatment required by the Purchaser. Temporary or partial failures to deliver wastewater treatment shall be remedied with all possible dispatch.
3. **Modification of Contract.** That the provisions of this contract pertaining to the schedule of rates to be paid by the Purchaser for wastewater treatment are subject to modification at the end of every one year period. Other provisions of this contract may be modified or altered by mutual agreement.
4. **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.
5. This document shall not be binding on either party until or unless approved by the Kentucky Division of Water, the Kentucky Public Service Commission, and if necessary, the Kentucky Attorney General.

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2/11/2005
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SECTION 9 (1)

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IN WITNESS WHEREOF, the parties hereto, acting under authority of their respective governing bodies, have caused this contract to be duly executed in three counterparts, each of which shall constitute an original. This Contract shall supersede all prior contracts that are or may have been in place.

**PUBLIC SERVICE COMMISSION
COMMONWEALTH OF KENTUCKY**

By _____

Title _____

**UTILITY COMMISSION OF THE
CITY OF LONDON, KENTUCKY
SELLER**

By Michael F. Hamm
MICHAEL F. HAMM

Attest Michael Bowling
MICHAEL BOWLING
SECRETARY/TREASURER

By Randy Bingham
RANDY BINGHAM
SUPERINTENDENT

**ATTORNEY GENERAL
COMMONWEALTH OF KENTUCKY**

By: _____

Title _____

Attest: _____

Title _____

**WOOD CREEK WATER DISTRICT
PURCHASER**

By: Glenn Williams
GLENN WILLIAMS
CHAIRMAN OF THE BOARD

Attest: Earl Bailey
EARL BAILEY
SECRETARY/TREASURER

By Donta Evans
DONTA EVANS
SUPERINTENDENT

**PUBLIC SERVICE COMMISSION
OF KENTUCKY**
DONTA EVANS
SUPERINTENDENT
2/11/2005
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)
By [Signature]
Executive Director