

WATER PURCHASE CONTRACT

This contract for the ~~sale and purchase~~ ^{pumping} of water is entered into as of the 20TH day of June, 19 94, between the ALLEN COUNTY WATER DISTRICT, ACTING by and through its Chairman, John H. Jones, pursuant to authority vested in him by the Board of Commissioners of said District, by Resolution dated June, 1994, P. O. Box 58, Scottsville, Ky.
(Address)

hereinafter referred to as the "Seller" and the CITY OF SCOTTSVILLE, KENTUCKY, a municipal corporation of the 4th Class, acting and through its Mayor, Hon. Dell Hall, pursuant to authority vested in her by the Common Council of said City, by Resolution dated June, 1994, City-County Building, Scottsville, Kentucky, 42164.
hereinafter referred to as the "Purchaser",

WITNESSETH:

Whereas, the Purchaser is organized and established under the provisions of KRS Chapter 83-A of the Code of _____, for the purpose of constructing and operating a water supply distribution system serving water 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 ~~effective~~ 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 No. _____ enacted on the SEP 22 1994 day of June, 1994, by the Seller, the ~~sale~~ ^{pumping} of water to the Purchaser in accordance with the provisions of the said Resolution was approved, ^{PUBLIC SERVICE COMMISSION OF KENTUCKY} and the execution of this contract carrying out the said Resolution by the Commissioners of said Water District, and attested by the Secretary, was duly authorized, and

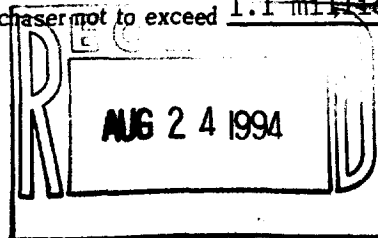
Whereas, by RESOLUTION of the Common Council of the City of Scottsville of the Purchaser, enacted on the _____ day of JUNE, 19 94, the purchase of water ~~from~~ ^{pumped by} the Seller in accordance with the terms set forth in the said Resolution was approved, and the execution of this contract by the Commissioners of said District, and attested by the Secretary was duly authorized;

Now, therefore, in consideration of the foregoing and the mutual agreements hereinafter set forth,

A. The Seller Agrees:

1. (Quality and Quantity) To ~~supply~~ ^{pump to} the Purchaser at the point of delivery hereinafter specified, during the term of

this contract or any renewal or extension thereof, potable treated water meeting applicable purity standards of the Commonwealth of Kentucky. The potable water is produced by "Purchaser". The purpose of this agreement is to provide for the Seller to Provide the Purchaser, through the Seller ~~Phase IV facilities and pumping equipment, adequate pressure to serve Purchaser's customers on the Maysville Road area and along Ky. Highway No. 100.~~
in such quantity as may be required by the Purchaser not to exceed 1.1 million gallons per month.



2. (Point of Delivery and Pressure) That water will be furnished ^{pumped} at a reasonably constant pressure calculated at 90 psi from an existing eight (8) inch main supply at a point located _____ on Ky. Highway No. 100, approximately 0.8 mile Southeast from the intersection of Highways 100 and 1421; and at 70 psi at the terminus of Purchaser's six (6) inch main ~~on the Maysville Road~~. If a greater pressure than that normally available at the point of delivery is required by the Purchaser, the cost of providing such greater pressure shall be borne by the Purchaser. Emergency failures of pressure or supply due to main supply line breaks, power failure, flood, fire and use of water to fight fire, earthquake or other catastrophe shall excuse the Seller from this provision for such reasonable period of time as may be necessary to restore service.

3. (Metering Equipment) To furnish, install, operate, and maintain at its own expense 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 calibrate such metering equipment whenever requested by the Purchaser but not more frequently than once every twelve (12) months. A meter registering not more than two percent (2%) 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 twelve (12) 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 furnished during such period shall be deemed to be the amount of water 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 ~~xx~~ daily. 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 Procedure) To furnish the Purchaser at the above address not later than the 15th 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 _____ day of each month, for water ~~delivered~~ ^{pumped & delivered} in accordance with the following schedule of rates:

- a. \$ N/A for the first _____ gallons, which amount shall also be the minimum rate per month.
- b. \$ N/A cents per 1000 gallons for water in excess of _____ gallons but less than _____ gallons.
- c. \$ N/A cents per 1000 gallons for water in excess of _____ gallons.
- d. The wholesale water purchase/pumping rate shall be equal to the rate The City of Scottsville sells treated water to the Allen County Water District (as per Water Purchase contract dated _____, as subsequently amended from time to time) plus Fifty Four Cents (\$0.54) per 1000 gallons.

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PURSUANT TO 807 KAR 5.011,
SECTION 9(1)

BY: Jordan C. [Signature]
FOR THE [Signature]

2. (Connection Fee) To pay as an agreed cost, a connection fee to connect the Seller's system with the system of the Purchaser, the sum of N/A dollars which shall cover any and all costs of the Seller for installation of the metering equipment and No Charge for Connection Fee

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 the Seller and Purchaser. Subject to § 13 below.

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

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3. (Water for Testing) When requested by the Purchaser the Seller will make available to the contractor at the point of delivery, or other point reasonably close thereto, water sufficient for testing, flushing, and trenching the system of the Purchaser during construction, irrespective of whether the metering equipment has been installed at that time, at a flat charge of \$ N/A which will be paid by the contractor or, on his failure to pay, by the Purchaser.

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SECTION 0411

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 consumers shall be reduced or diminished in the same ratio or proportion as the supply to Seller's consumers is reduced or diminished.

BY: *[Signature]*
FOR THE

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 every One year period. Any increase or decrease in rates shall be based on a demonstrable increase or decrease in the costs of performance hereunder, but such costs shall not include increased capitalization of the Seller's system. 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. (Miscellaneous) That the purchaser and seller have facilities financed in whole or in part by a loan made or insured by, and/or a grant from, the United States of America, acting through the Farmers Home Administration of the United States Department of Agriculture, and the provisions hereof pertaining to the undertakings of the Purchaser are conditioned upon the approval, in writing, of the State Director of the Farmers Home Administration.

8. (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.

9. The areas to be served under this contract are limited to the following specific areas (a) The Maysville Road area from Scottsville's 1 million gallon storage tank to the terminus of Scottsville's six inch line on Maysville Road East on Jackson Street from Maysville Road to Highway 98 East; and (b) The Ky. 100 area extending from Green Street Southwest along Hwy. 100 to Hwy. 671 and including approximately one mile along Hwy. 1421 from the intersection of Highways 100 and 1421.

10. The Valves in Scottsville's distribution system will be closed to isolate the specific service areas described herein. If valves do not exist in the specific locations that will facilitate the desired zoning, The City of Scottsville shall install valves in the appropriate locations approved by the ACWD prior to the provision of water service. Operation of the isolation valves by the City is strictly prohibited without prior approval by the ACWD.

11. The above described service areas, described in ¶ 9 above may be modified only by agreement of the parties, by written request from the purchaser (City) and written approval from Seller (ACWD).

12. The ACWD incurred a cost of \$7,769.00 for the installation of the Highway No. 100 Master Meter. If this contract is terminated by the City prior to the completion of the full term of this contract, the ACWD shall be reimbursed for said cost of the meter installation pro-rated on the remaining term of the contract.

13. The purchaser, city, at anytime prior to the completion of the full term of this contract and without prejudice to any other right or remedy, terminate this Contract by written notice received by the Seller not less than 30 days prior to the effective date by registered mail of its intention to do so.

In witness whereof, the parties hereto, acting under authority of their respective governing bodies, have caused this contract to be duly executed in _____ counterparts, each of which shall constitute an original.

The parties acknowledge that the ACWD has furnished and the City has received a written analysis/justification of the manner in which ACWD and its Engineers, Kenviron arrived at the 0.54¢ rate.

Seller:

ALLEN COUNTY WATER DISTRICT

By John H. Jones

Title Chairman

Attest:

Chris Keen

Secretary

Purchaser:

THE CITY OF SCOTTSVILLE, KENTUCKY

By Dee S. Hall

Title Mayor

Attest:

Alicia Meador

Secretary

This contract is approved on behalf of the Farmers Home Administration this 11th day of AUGUST,

19 94.

By Jimmy H. Hall

Title COMMUNITY AND BUSINESS PROGRAMS MANAGER

PUBLIC SERVICE COMMISSION
OF KENTUCKY
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SEP 22 1994

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

BY: Jordan C. Neal
FOR THE PUBLIC SERVICE COMMISSION