

WATER PURCHASE CONTRACT

THIS CONTRACT, made and entered into this the 15 day of July, 1968, by and between the City of Morehead, Kentucky, acting by and through its duly authorized agency, the MOREHEAD UTILITY PLANT BOARD, hereinafter called the " BOARD " and the BATH COUNTY WATER DISTRICT, hereinafter called the " DISTRICT " ,

WITNESSETH : Whereas the Board operates the City owned water supply system with a capacity currently capable of serving the present customers of Morehead, and present and projected water requirements of the District, and,

Whereas, the District has been organized and established under the provisions of Chapter 74, Kentucky Revised Statutes, for the purpose of constructing and operating a water supply distribution system in Bath County serving water users within the area described in plans on file in the office of the District, and to accomplish this purpose, the District will require a supply of water which is treated, and,

Whereas, by Ordinance No. ^{Beck} 2 enacted on the 9th day of July, 1968, by the Morehead Council, the sale of water to the district in accordance with the provisions of said Ordinance was approved, and the execution of this contract by the Board Chairman, attested by the Board Secretary was duly authorized ;

Whereas, by resolution of the Board of Commissioners of the District, enacted on the 15 day of July, 1968 the purchase of water from the Board in accordance with the terms and provisions of this contract was approved and execution of

OCT 07 1968

PURSUANT TO RST KAR 5.011,

BY [Signature]
 SECRETARY

said contract by the District Chairman, attested by the District Secretary, was duly authorized :

Now, Therefore, in consideration of the foregoing and the mutual agreement hereinafter set forth :

(A) The Board agrees :

I. That it will furnish the District such supply of purified water as the District may require up to 700,000 gallons per day for the provisions of domestic, commercial, and industrial water service to customers in the District, and for fire protection purposes, subject to the ability of the Board to provide the same in excess of the needs and requirements of its other water customers; and it is understood and agreed that the Board does not agree to supply the District's water requirements except to the extent that the Board's capacity for supplying purified water exceeds the demands of its other customers; and in the event that the available supply of purified water obtainable through City's river intake and purification plant should fall short of the Board's own needs and demands, the Board may give reasonable notice to the District and thereafter pro-rate available water between the Board and the District according to the respective uses of the two bodies during the last calendar year.

The upper limit of 700,000 gallons per day may subsequently be increased by agreement between the parties.

2. (Point of Delivery and Pressure) :

That water will be furnished at a reasonably constant normal pressure at the existing 16 inch main near U. S. Highway 60 at Airport Road, west of Morehead or from the 6 inch main on

PUBLIC SERVICE COMMISSION

OF KENTUCKY
EXECUTIVE

OCT 07 1994

PURSUANT TO 007 KAR 5.011,
SECTION 19(1)

By: Carol L. Bell
PUBLIC SERVICE COMMISSION

U. S. Highway 60 about 900 feet west of the Airport Road. If a greater pressure than that normally available at the point of delivery is required by the District, the cost of providing such greater pressure shall be borne by the District. 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 Board from this provision for such reasonable period of time as may be necessary to restore service.

3. (Billing Procedure) :

To furnish the District not later than the 10th of each month with an itemized statement of the amount of water furnished the District during the preceding month.

(B) The District agrees :

I. That it shall supply the water meter equipment through which the District receives water from the Board's water lines, and that said water meter equipment shall be the property of the District, to be maintained at the District's expense; provided, however, that the Board shall be entitled to question at any time the accuracy of said water meter or meters, in which event said meter or meters shall be examined and tested by a meter testing agency, designated by mutual agreement, and if it shall be found upon such testing that said meter or meters is inaccurate beyond a percentage or other standards currently provided by the regulations of the Public Service Commission of Kentucky, the expense of such testing shall be borne by the District, otherwise, the expense of such testing shall be borne by the Board.

OFFICE OF THE CLERK
OF THE SENATE
EFFECTIVE

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PURSUANT TO KRS KAR 6011.

BY: _____
FOR THE BOARD OF WATER SUPPLY

monthly water bill of \$60.00 per month to the Board. Any water bill submitted by the Board to the District which is correct in its amount shall be paid promptly by the District upon receipt of same.

(C) It is further mutually agreed by and between the Board and the District as follows :

It is mutually agreed that the effectiveness of this Contract is subject to the award by the District of contracts for the construction of its waterworks distribution system after approval by the Public Service Commission and the effectiveness of this Contract, so far as the District is concerned, is subject to the approval of said Commission.

1. (Terms of Contract)

That this Contract shall become effective upon the completion of the construction of the waterworks system of the District to the extent sufficient to enable the District to begin serving water to its customers, and in no event later than Jan 15, 1970, and shall continue for a period of forty years certain thereafter; provided that in the event any court of competent jurisdiction shall ever hold that the duration of this contract is illegal or defective by reason of being in excess of twenty years, then it is agreed by the parties that this contract shall be effective for a period of twenty years or for such shorter period as shall be determined to be valid by a final decision of such court, provided, however, this clause is not to be construed as indicating any doubt as to the validity or effectiveness of said forty years provision or of any other provisions of this Contract.

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PURSUANT TO KY KAR 5011,

BY: _____
DATE: _____

2. (Failure to Deliver)

That the Board 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 District with quantities of water required by the District and its customers, 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 Board is otherwise diminished over an extended period of time , the supply of water to the District and its consumers shall reduced or diminished in the ratio or proportion as the supply to the other Board customers is reduced or diminished .

3. (Regulatory Agencies)

That this contract is subject to such rules , regulations , or laws as may be applicable to similar agreements in the State of Kentucky and the Board and the District will collaborate in obtaining such permits , certificates or the like as may be required to comply therewith .

4. (Successor to the District)

That in the event of any occurrence rendering the District incapable of performing under this contract, any successor of the District , whether the result of legal process assignment , or otherwise , shall succeed to the rights of the District .

IN WITNESS WHEREOF , the parties hereto , acting under authority of their respective governing bodies , have caused this contract to be executed in four counterparts , each of which shall constitute an original .

PUBLIC SERVICE COMMISSION
OF KENTUCKY
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OCT 07 1984

PURSUANT TO KY KAR 5011,
EFFECTIVE

The City of Morehead , Kentucky
Acting By and Through Its
MOREHEAD UTILITY PLANT BOARD

Attest:

By:

Roger Caudill
Roger Caudill , Chairman

Tom Price
Secretary

BATH COUNTY WATER DISTRICT

Attest:

By:

C. L. Gullett
C. L. Gullett , Chairman

C. L. Gullett
Secretary

PUBLIC SERVICE COMMISSION
OF KENTUCKY
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OCT 07 1994

PURSUANT TO 207 KAR 50.11.