

Contract with Black Mt. Utility District

This contract is an addendum to the Water Purchase Contract and Sale Contract entered into on September 15, 1982, between the City of Harlan Municipal Water Works Commission and the Harlan County Fiscal Court, and the subsequent amendment to the contract made on May 14, 1985.

WHEREAS, the Harlan County Fiscal Court elected, under the authority granted in Section C-9 of the original water purchase contract, to assign that contract to the Black Mountain Water District.

WHEREAS, the Black Mountain Water District is organized and established under the provisions of the Kentucky Revised Statutes for the purpose of constructing a water supply distribution system to the Coxton Community, and has agreed to accept the assignment of the original contract from the Harlan County Fiscal Court.

WHEREAS, the Black Mountain Water District and the City of Harlan Municipal Water Works Commission do mutually agree to the following amendment to the original water sale and purchase agreement.

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Contract Subpart A, Paragraph 1 is amended PURSUANT TO KAR 5011, SECTION 9(1) follows:

BY: Jordan C. Neel
FOR THE PUBLIC SERVICE COMMISSION

(A) (1). (Quality and Quantity) To furnish 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 Kentucky DNREP, Division of Sanitary Engineering, in such quantity as may be required by the Purchaser, not to exceed 195,000 gallons per day, except that this amount may be exceeded on a temporary basis as a result of additional water needed for fire control, water lost as a result of pipe line failures, or other emergency requiring the amount to be exceeded. An additional 50,000 gallons per day shall be furnished on an emergency as needed basis to be provided to the City of Wallins. In the event of unusual usage or loss,

the Seller is to be notified, as soon as such usage or loss is known by the Purchaser.

Contract Subpart B, Paragraph 3, is amended to read as follows:

(B) (3). The Purchaser agrees to maintain the meter and meter pit and all pipeline therefrom in good condition. The Purchaser further agrees that water lost through leakage that causes consistent or frequent withdrawal in excess of 195,000 gallons per day shall not be construed as water lost from pipeline failures on a temporary basis.

Contract Subpart C, Paragraphs 1 and 5, are amended to read as follows:

(C) (1). (Term of Contract) That this contract shall extend for an additional term of 40 years from the date of this amendment, the original contract having been made for a term to end in 2027, and thereafter may be renewed or extended for such term, or terms, as may be agreed upon by the Seller and Purchaser.

(C) (5). (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 up to 195,000 gallons of water per day, except for additional withdrawals, as provided for hereinabove. 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 the Purchaser's consumers shall be reduced or diminished in the same ration or proportion as the supply to Seller's consumers is reduced or diminished. However, the Seller, in the event of failures in its system affecting all or a substantial portion of its customers, shall have the right to determine priority in restoring service to sections of its system taking into account the number and type customer in the system or the affected part or parts thereof. In the event water service is not totally restored to all customers within a reasonable period of time, this section will be restored at the same time as the Fairview section of Harlan, after the interruption, then the available supply will be made available to all customers on a proportionate basis usage.

This contract provides for sufficient water to serve areas including Sukey Ridge, Airport Road and Water Creek.

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PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

BY: Jordan C. Neel

IN WITNESS WHEREOF, the parties hereto acting under authority of their respective governing bodies, have caused this contract to be duly executed in 2 counterparts, each of which shall be constitute an original.

HARLAN MUNICIPAL WATER WORKS COMMISSION
SELLER

BY: Paul Short

TITLE: Chairman Harlan waterworks

ATTEST:

Bobbie J. Stark
SECRETARY
City Clerk

BLACK MOUNTAIN WATER DISTRICT
PURCHASER/ASSIGNEE

BY: Arnold S. Short

TITLE: Chairman 11-12-91

ATTEST:

Tony H. Toliver
SECRETARY

This contract is approved on behalf of the Farmers Home Administration this _____ day of _____, 19____.

BY: _____

TITLE: _____

PUBLIC SERVICE COMMISSION
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EFFECTIVE

FEB 04 1995

PURSUANT TO 807 KAR 5011,
SECTION 9(1)

BY: Jordan C. Neel
FOR THE PUBLIC SERVICE COMMISSION