

RECEIVED

OCT 30 2000

PUBLIC SERVICE
COMMISSION

WATER PURCHASE AGREEMENT

This Contract, made and entered into this 14th day of September, 2000, by and between the Carroll County Water District #1, a special district formed pursuant to KRS Chapter 74, acting by and through its duly authorized officer and Chairman of its Board of Commissioners, Dennis Crawford, party of the first part, Seller, and the Tri-Village Water District, a special district formed pursuant to KRS Chapter 74, acting by and through its duly authorized officer and Chairman of its Board of Commissioners, Charles F. Noel, party of the second part, Buyer.

WITNESSETH:

Whereas, the parties hereto are each special districts formed under KRS chapter 74 for the purposes of constructing and operating water supply distribution systems serving water users within their respective areas of jurisdiction, and

Whereas, Buyer requires additional supplies of potable treated water in order to adequately fulfill its obligations to its users in the Wheatley area and has requested that same be supplied to it by Sellers, and

Whereas, Seller owns and operates a water supply distribution system capable of serving its present customers and the estimated number of Buyer's users to be served by the gallonage purposed to be sold to buyer hereunder, and

Whereas, Seller deems it in the best interests of itself and its users that it profitably dispose of its excess capacity as herein proposed, and

Whereas, both parties hereto have approved the sale and purchase of water in accordance with the terms and conditions contained herein by Resolutions duly adopted by their respective commissioners.

Now Therefore, for and in consideration of the foregoing premises and the mutual agreements and undertakings hereinafter set forth, the parties promise and agree as follows:

1. Seller agrees to furnish and supply to Buyer, at the point of delivery hereinafter specified, during the term of this agreement or any renewal or extension thereof, potable treated water meeting applicable state and federal purity and quality standards in such quantity as may be required by the Purchaser.

2. Said water in the amount of 50,000 to 100,000 gallons per day shall be furnished at a reasonably constant pressure calculated at 30 or greater feet from a master meter installed in a 6" water main located on Highway 227 between the water

PUBLIC SERVICE COMMISSION
OFFICE OF THE SECRETARY
100 EAST MAIN STREET
FRANKFORT, KY 40601

NOV 29 2000

PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)
BY: Stephan O. Bee
SECRETARY OF THE COMMISSION

tank and Wheatley. If a greater pressure than the 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 of 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. Seller agrees 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 of properly measuring the quantity of water delivered to the Purchaser and to calibrate such metering equipment whenever requested by the Purchaser but no 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 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 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 normally be read on the 20th day of the month. An appropriate official of the Purchaser at all reasonable times shall have access to the meter for the purpose of verifying its readings.

4. Seller agrees to furnish the Purchaser not later than the 5th day of each month, with an itemized statement of the amount of water furnished the purchaser during the preceding month.

5. Purchaser agrees to pay the Seller, not later than the 20th day of each month, for water delivered in accordance with the following schedule of rates:

\$1.66 per thousand gallons

6. It is further mutually agreed between the Seller and the Purchaser as follows:

A. (Term of Contract) That this contract shall extend for a term of 20 years from the date of initial delivery of any water as shown by the first bill submitted by the Seller to the Purchaser and, thereafter shall be extended or renewed for successive one year terms, unless terminated by either party, upon one year's written notice delivered, except where the Seller is unable to comply with its obligations under Sections 1 and 2 or any breach of representations in this contract in which case Purchaser may terminate this contract upon 30 days' written notice.

OF KENTUCKY
EFFECTIVE

NOV 29 2000

B. (Delivery of Water) That 30 days prior to the estimated date of initial delivery of water, the Purchaser will notify the Seller in writing the date for initial delivery of water.

C. Purchaser shall have the right, at all reasonable times, to conduct such testing of Seller's water quality at such locations in Seller's system as is reasonable.

D. (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 the quality and quantities of water required by the Purchaser. Temporary or partial failure 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.

E. (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 any time upon mutual agreement of the parties provided that Purchaser shall be provided with 120 days' notice prior to any modification of rates.

In the event that compliance with action by regulatory or governmental authority causes Seller to increase its rate to its customers in order to meet resulting increased costs, the rates charged to Purchaser shall be subject to increase based upon approval by the Public Service Commission.

Provisions of this contract may be modified or altered by mutual written agreement.

F. (Regulatory Agencies) That this contract is subject to such rules, regulations, or laws as may be applicable to similar agreements in this State, including the Kentucky Public Service Commission, and the Seller and Purchaser will collaborate in obtaining such permits, certificates, or the like, as may be required to comply therewith.

The parties' respective rights and duties hereunder are contingent upon all necessary approvals from the Kentucky Public Service Commission, or its successor agency.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

NOV 29 2000

G. The Contract shall be binding on the successors and assigns of the parties hereto.

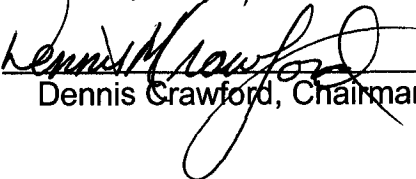
H. Seller represents that it is not subject to, nor has been subject to in the past five (5) years, any local, state or federal regulatory notices, actions, or other enforcement pertaining to Seller's potable water system.

I. Seller represents that it has the sufficient treatment, pumping, storage, and all other system capacity to serve Purchaser in accordance with the terms of this contract.

In witness whereof, the parties have hereunto affixed their signatures.

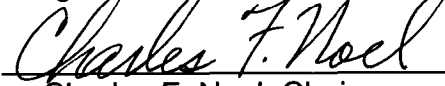
SELLER

Carroll County Water District #1

BY: 
Dennis Crawford, Chairman

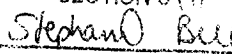
BUYER

Tri-Village Water District

By: 
Charles F. Noel, Chairman

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

NOV 29 2000

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)
BY: 
SECRETARY OF THE COMMISSION

CARROLL COUNTY WATER DISTRICT


RESOLUTION

A Resolution related to contracting for the Sale of Water to Tri-Village Water District, approving same and authorizing the Chairman of the Board of Commissioners to execute and deliver a contract evidencing same.

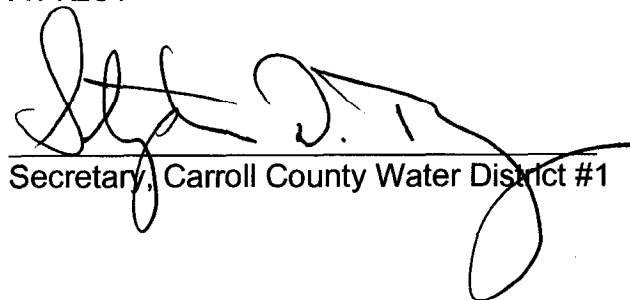
Be it resolved by the Commissioners of the Carroll County Water district, as follows:

That Dennis Crawford, Chairman, of the Board of Commissioners and is hereby authorized, empowered and directed to execute and deliver, on behalf of the district, thereby binding the District to, a contract for the sale of water to the Tri-village Water district at the rate of \$1.66 per thousand gallons, to a point of delivery at metering station near Wheatley, Kentucky, for a term of 20 years with automatic one-year extensions terminable by either party upon one year's prior notice, and containing other customary and prudent terms and provisions, which contract is hereby approved.

Adopted this 14th day of SEPT., 2000.


Chairman, Board of Commissioners of
Carroll County Water District #1

ATTEST


Secretary, Carroll County Water District #1

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

NOV 29 2000

PURSUANT TO 807 KAR 5.011,
SECTION 9(1)
BY: Stechan O Bell
SECRETARY OF THE COMMISSION

TRI-VILLAGE WATER DISTRICT

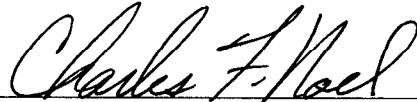
RESOLUTION

A resolution related to contracting for the sale of water to Tri-Village Water District, approving same and authorizing the Chairman of the Board of Commissioners to execute and deliver a contract evidencing the same.

Be it resolved by the Commissioners of the Tri-Village Water District, as follows:

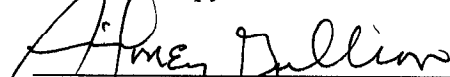
That Charles Noel, Chairman of the Board of Commissioners is hereby authorized, empowered and directed to execute and deliver, on behalf of the District thereby binding the District to, a contract for the sale of water to the Tri-Village Water District at the rate of \$1.66 per 1000 gallons, to a point of delivery at Wheatley, Kentucky, Highway 227, for a term of 20 years with automatic one-year extensions terminable by either party upon one year's prior notice, and containing other customary and prudent terms and provisions, which contract is hereby approved.

Adopted this 13th day of September, 2000



Chairman, Board of Commissioners of
Tri-Village Water District

A True Copy: ATTEST


Secretary, Tri-Village Water District

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

NOV 29 2000

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)
BY: Stephan D. Bell
SECRETARY OF THE COMMISSION