

WATER PURCHASE CONTRACT

THIS CONTRACT for the sale and purchase of water is entered into as of the 18th day of February, 1975, between the Edmonson County Water District, Brownsville, Kentucky, hereinafter referred to as the "Seller" and the City of Park City, Barren County, Kentucky, hereinafter referred to as the "Purchaser",

WITNESSETH:

WHEREAS, the Purchaser is organized and established under the provisions of Kentucky Statutes for municipalities of the Commonwealth of Kentucky, 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 capable of 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 enacted on the 18 day of February, 1975, by the Seller, the sale of water to the Purchaser in accordance with the provisions of the said contract was approved, and the execution of this Contract carrying, out the said Contract by the Edmonson County Water District and attested by the Secretary, was duly authorized and

WHEREAS, by Resolution of the Board of Trustees of the Purchaser, enacted on the 18 day of FEBRUARY, 1975, the purchase of water from the Seller in accordance with the terms set forth in the said Contract was approved and the execution of this Contract by the Board of Trustees, 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 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 U.S. Public Health Service and the Kentucky Department of Health in the such quantity as may be required by the Purchaser not to exceed 150 gallons per minute except on the basis of availability of surplus water on the part of seller.

2. (Point of Delivery and Pressure) That water will be furnished at a reasonably constant pressure calculated at 62 PSI from an existing 6 inch main supply at a point located near Park Mammoth Resort South of Park City on US 31-W 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 the 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 One (1) month 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 on last day of each 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. (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 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 15th day of each month, for water delivered in accordance with the following schedule of rates;

a. \$0.60 cents per 1000 gallons for all water consumed or a minimum bill of \$700.00 month, whichever is greater.

b. This rate shall be good for a period of five years from date of execution of this Contract and at the end of said five year period, this Contract shall be re-negotiated.

2. (Connection Fee) To pay as an agreed cost, a connection fee to connect the Sellers system with the system of the Purchaser, the sum of a tap fee which shall cover any and all costs of the seller for installation of the metering equipment and pipe line to include all fittings and labor costs as bid by the contractor.

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

1. (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 any 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 ratio or proportion as the supply to Sellers' consumers is reduced or diminished.

2. (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 five 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.

3. (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.

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. Whenever this Contract shall be terminated, the master meter at the junction of the two systems shall revert to and remain the property of the purchaser herein.

IN WITNESS WHEREOF, the parties hereto, acting under authority of their respective governing bodies, have caused this Contract to be duly executed in six (6) counterparts, each of which shall constitute an original.

Seller:

EDMONSON COUNTY WATER DISTRICT

BY: Roger Rich
Chairman

(SEAL)

ATTEST:
Nelson Darden
Clerk ~~Secretary~~

Purchaser:

PARK CITY, KENTUCKY

BY: Robert H. Long
Chairman, Board of Trustees

(SEAL)

ATTEST:
Robert H. Long
Clerk

SUPPLEMENT TO WATER PURCHASE AGREEMENT
 BETWEEN
 EDMONSON COUNTY WATER DISTRICT
 AND
 CITY OF PARK CITY, KENTUCKY
 JANUARY 1975
REVISED ATTACHMENT "A"

(Cost Information received from District's Audit for year ending 12-31-74)

I. Water Demand

- A. Total amount of water purchased by Park City for year 1974 = 19 M.G.
- B. Total amount of water sold by Edmonson County Water District for year 1974 = 83 M.G.

II. Cost

A. Fixed Cost

- (1) Treatment Plant, Intake, Booster Pump Station, structural excavation, tank foundation, portion of distribution system from water plant to Park City master meter and 50,000 gallon elevated water tank = \$592,404.00
- (2) Percent of total construction cost = $100 \times 592,404 \div 1,134,367 = 52\%$
- (3) Amount for Amortization: Bonds (\$244,000)
52% of \$244,000 = \$126,880.00
- (4) Annual debt service: 4-3.4% @ 32 years
 $\$126,880 \times .05734 = \$7,275/\text{yr.}$
- (5) Fixed cost per thousand gallons: $\$7,275 \div 83,000 =$ \$0.0876

- B. (a) Operation and Administration Labor: $23,009 \div 83,000 =$ 0.2772
- (b) Chemicals: $4,586 \div 83,000 =$ 0.0552
- (c) Operator supplies and expense: $267 \div 83,000 =$ 0.0032
- (d) Maintenance of Treatment Plant: $2,815 \div 83,000 =$ 0.0339
- (e) Utilities (Plant): $4,581 \div 83,000 =$ 0.0552
- (f) Property Insurance: $2,600 \div 83,000 =$ 0.0313

Total Operating Cost per thousand gallons = 0.4632

C. Depreciation Cost (50 year Straight Line)

For Treatment Plant and Distribution System shown in Item (A) above: $592,404 \div 50 = 11,848 \text{ yr.}$
 Depreciation Cost per thousand gallons: $11,848 \div 83,000 =$ 0.1427

Total Cost per thousand gallons 0.6935
 Profit (5%) 0.0347

Total per thousand gallons \$1.7282