

WATER PURCHASE CONTRACT

This contract for the sale and purchase of water is entered into as of the 15th day of February, 1980, between the City of Vine Grove, Kentucky, hereinafter referred to as the "City" and the Hardin County Water District No. 1, hereinafter referred to as the District.

WITNESSETH

Whereas, the District has been organized and established under the provisions of Chapter 74 of the code of the Revised Statutes of the State of Kentucky for the purpose of constructing and operating a water supply distribution system serving water users within the area as prescribed, and

Whereas, the District owns and operates a water supply distribution system with a capacity currently capable of serving the present customers of the District and the estimated number of water users to be served by the City, and

Whereas, by Ordinance enacted on the 15th day of February, 1980, by the Commissioners of the District, the sales of water to the City in accordance with the provisions of the said ordinance was approved, and the execution of this contract carrying out the said ordinance by the Chairman, and attested by the Secretary, was duly authorized, and

Whereas, by Resolution of the City Council, enacted on the 4th day of February, 1980, the purchase of water from the District in accordance with the terms set forth in the said resolution was approved, and the execution of this contract by the Mayor or other designated official, and attested by the City Clerk, was duly authorized;

NOW THEREFORE, in consideration of the foregoing and mutual agreements hereinafter set forth,

The District Agrees:

(1) (Quality and Quantity) To furnish the City, at a 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 State Board of Health in such quantity as may be required by the City (not to exceed 200,000 gallons per day).

(2) (Point of Delivery and Pressure) That water will be furnished at a reasonably constant normal pressure calculated at 50 lbs. from a 6" main supply. If a greater pressure than that normally available at the point of delivery is required by the City. The cost of providing such greater pressure shall be borne by the City. 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 District from this provision for such reasonable period of time as may be necessary to restore service.

(3) (Metering Equipment) To furnish the necessary metering equipment, including pit, and required devices of standard type for properly measuring the quantity of water delivered to the City and to calibrate such metering equipment whenever requested by the City but not more frequently than once every twenty four (24) 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 three (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 the District and City shall agree upon a different amount. The metering equipment shall be read on the 15th day of each month. The design of a six inch meter being such that it will not accurately register quantities less than ninety gallons per minute, a quantity of 100 gallons of water or more per minute will be taken by the City.

(4) (Billing Procedure) To furnish the City not later than the 10th day of each month, with an itemized statement of the amount of water furnished the City during the preceding month.

THE CITY AGREES:

1. (Rates and Payment Date) To pay the District, not later than the 15th day of each month, for water delivered in accordance with the following rate:

A. \$.45 per 1,000 gallons of water.

2. (Minimum) To pay the District an amount equal to no less than \$5,400.00 per year.

It is further mutually agreed between the City and District as follows:

1. (Term of Contract) That this contract shall extend for a term of eight (8) months from the date of the entering into of this contract by the District with the City, and thereafter may be renewed or extended for such term, or terms, as may be agreed upon by the District and City.

2. (Failure to Deliver) That the District 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 City with quantities of water required by the District. 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 District is otherwise diminished over an extended period of time, the supply of water to City consumers shall be reduced or diminished in the same ration or proportion as the supply to District consumers is reduced or diminished.

3. (Modification of Contract) That the provisions of this contract pertaining to the rate schedule to be paid by the City for water delivered are subject to modification at the end of the eight month 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 Districts system. Other provisions of this contract may be modified or altered by mutual agreement.

4. (Regulatory Agencies) That this contract is subject to such rules, regulations, or laws may be applicable to similar agreements in the State of Kentucky and the City and District will collaborate in obtaining such permits, certificates, or the like, as may be required to comply herewith.

5. (Reciprocal Agreement) That in the future should it be deemed to be desirable, the District could purchase water from the City under the same terms of this agreement

IN WITNESS whereof, the parties hereto, acting under authority of their respective governing bodies have caused this contract to be duly executed.

HARDIN COUNTY WATER DISTRICT NO. 1

By: Bernard Hesse
Chairman

Attest:

By: Henry W. Robinson
District Secretary

CITY OF VINE GROVE

By: Man E. Bertman Jr
Mayor

Attest:

By: Linda M. Holman
City Clerk