WATER PURCHASE CONTRACT

The Contract made and entered into by and between the North Marshall Water District, Marshall County, Kentucky, and the Jonathan Creek Water District, Marshall County, Kentucky.

WITNESSETH

WHEREAS, the Jonathan Creek Water District is a Water District chartered and existing under the laws of the Commonwealth of Kentucky and operates a water distribution system serving water users within Marshall County, Kentucky, and desires to procure an alternate source of water for distribution to its users for peak time of the year; and

WHEREAS, the North Marshall Water District owns and operates a water distribution system with a current capacity capable of serving the present customers of its system and the capacity to provide water to the Jonathan Creek Water District in that amount provided for in this agreement; and

WHEREAS, by Resolution enacted on the _____ day of ______, 20___ by the North Marshall Water District, the sale of water to the Jonathan Creek Water District in accordance with the provisions of this contract was approved by the Board of North Marshall Water District and the execution of this contract carrying out the said resolution by the Chairman and Secretary was duly authorized and,

WHEREAS, by Resolution enacted on the 14 day of FeBRuay, 2001 by

Jonathan Creek Water District for the purchase of water from North Marshall Water District
in accordance with the terms set forth in the this contract was approved by the Board of

Jonathan Creek Water District, and the execution of this contract by the Chairman and

Secretary was duly authorized.

NOW, THEREFORE, IN CONSIDERATIN OF THE FOREGOING and the mutual agreements hereinafter set forth,

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A. EACH DISTRICT AGREES:

- 1. Quality and Quantity. To furnish at a point of delivery herein specified, during the term of this contract or any renewal or extension thereof, potable treated water meeting applicable purity standards of the Kentucky Division of Water Quality in such quality as may be required, not to be in excess of 160 gallons per minutes or 230,400 gallons per day. Each district shall provide the other with notice in advance of its intent to procuse water from the other under the provisions of this agreement.
- 2. Point of Delivery and Pressure. That water will be furnished at a reasonably constant pressure by both Districts, The connecting point will be at an existing 6 inch water main supply belonging to North Marshall Water District, this being located approximately 25' North of the right of way of the intersection of Kentucky Highway 58 (Big Bear Road) and U.S. Highway 68. Emergency failures of pressure or supply due to main line breaks, power failures, flood, fire, use of water to fight fire, earthquake or other catastrophe shall excuse each District from this provision for such period of time as shall be necessary to restore the service.
- Metering Equipment. The Jonathan Creek Water District will furnish, install, operate and maintain, at the point of delivery all fittings, meter and building required for connection of the two facilities which shall be and remain the property of the Jonathan Creek Water District, commencing at the valve at North

 Marshall Water District 6" water main. The metering equipment will be tested, but not more frequently than once every twelve (12) months, at no expense to the North Marshall UCAN Water District. A meter registering not more than two percent (2%) above or below the property of the second se

amount of water furnished will correspond with the period immediately prior to the failure, unless both Districts shall agree upon a different amount.

- 4. <u>Billing Procedures</u>. The meter shall be read between the 1st and 5th of each month, by a representative of the District furnishing water to the other, and if a representative of the receiving District wishes to be present at the time the meter is read, it shall let the other District know by the 30th of each month. The District furnishing water shall provide the other an itemized statement of the amount of water bought or sold during the preceding month.
- agrees to pay no later than the 5th day of the following month, for water delivered in see attached accordance with this agreement, \$2.00 for each 1000 gallons of water furnished or as letter from adjusted periodically in any general rate increases approved by the Public Service

 Commission. There shall be no minimum rate per month when water is not being used.

 North Marshall Water District agrees to pay no later than the 5th day of the following month for water delivered to it in accordance with this agreement, \$4.85 for each 1000 gallons of water furnished or as adjusted periodically in any general rate increase approved by the Public Service Commission.

B. IT IS FURTHER MUTUALLY AGREED BETWEEN BOTH DISTRICTS AS FOLLOWS:

- 1. Term of Contract. That this contract shall extend for a term of Subscious Enviore Commission five (5) years from the date of the signing of this contract, thereafter may be renewed or extended for such term or terms, as may be agreed upon by both Districts.
 - 2. Connection Charge. There shall be no connection charge to the connection charge to

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Jonathan Creek Water District for connecting its water system to the North Marshall Water District.

- 3. Modification of Contract. The provision of this contract pertaining to the schedule of rates to be paid by either District for water delivered are subject to modification at the end of every one (1) year period. Any increase or decrease in rates shall be approved by the Public Service Commission, and shall be based on the increase or decrease in the cost of performance hereunder, but such cost shall not include capitalization of either system. All other provisions of this contract may be modified or altered by mutual agreement.
- 4. <u>Termination Provision</u>. Each District reserves the exclusive right to terminate this contract for just cause upon giving written notice of 90 days in advance of the date of termination. Notice of termination shall be in writing sent to the Chairman of the Water District.
- 5. <u>Regulatory Agencies</u>. This contract is subject to all rules, regulations and laws as may be applicable to similar agreements in its State.
- 6. Miscellaneous. The construction of the alternate water supply for distribution by the Jonathan Creek Water district is being financed by a loan made or pursuant to a directive of the Division of Water Quality and the Public Service Commission, and the provisions hereof pertaining to the undertakings of the Jonathan Creek Water District are conditioned upon the approval of the Division of Water Quality and the Public Service Commission.
 - 7. Pledge of Contract. It is understood and agreed that this contract

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may be pledged by the Jonathan Creek Water District as a portion of its security for the loan being made by the Kentucky Infrastructure Authority for the construction of additions to its water distribution system.

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

NORTH MARSHALL WATER DISTRICT

B.W. DARNELL, CHAIRMAN

ATTEST:

BOBBY SIRLS MANAGER

JONATHAN CREEK WATER DISTRICT

LEON LOVETT, CHAIRMA

ATTEST:

Matthew Horse MATTHEW YORK/MANAGER

PROBLEM SERVICE COMMISSION OF KENTUCKY

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