

WATER PURCHASE CONTRACT

This contract for the sale and purchase of water is entered into as of the 4th day of December, 2014, between the CITY OF STANFORD, KY, 842 EAST MAIN STREET, P.O. BOX 45, STANFORD, KY 40484

(Address)

hereinafter referred to as the "Seller" and the MCKINNEY WATER DISTRICT, 2900 KY HWY 198, HUSTONVILLE, KY 40437

(Address)

hereinafter referred to as the "Purchaser",

WITNESSETH:

Whereas, the Purchaser is organized and established under the provisions of CHAPTER 273 of the Code of KY REVISED STATUTES, 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 No. 2014-11-6 enacted on the 6th day of November, 2014, by the Seller, the sale of water to the Purchaser in accordance with the provisions of the said RESOLUTION was approved, and the execution of this contract carrying out the said RESOLUTION by the MAYOR OF THE CITY OF STANFORD, and attested by the Secretary, was duly authorized, and

Whereas, by RESOLUTION of the MCKINNEY WATER DISTRICT of the Purchaser, enacted on the _____ day of _____, 2014, the purchase of water from the Seller in accordance with the terms set forth in the said RESOLUTION AND CONTRACT was approved, and the execution of this contract by the PRESIDENT, LESTER GOOCH, 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:

I. (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 _____

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in such quantity as may be required by the Purchaser not to exceed 425,000 gallons per MONTH. DAY, COMBINED FROM ALL DELIVERY POINTS

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

1. (Term of Contract) That this contract shall extend for a term of **FORTY (40)** years from the date of the initial delivery of any water as shown by the first bill submitted by the Seller to the Purchaser and, thereafter may be renewed or extended for such term, or terms, as may be agreed upon by the Seller and Purchaser.

2. (Delivery of Water) That _____ days prior to the estimated date of completion of construction of the Purchaser's water supply distribution system, the Purchaser will notify the Seller in writing the date for the initial delivery of water.

3. (Water for Testing) When requested by the Purchaser the Seller will make available to the contractor at the point of delivery, or other point reasonably close thereto, water sufficient for testing, flushing, and trench filling the system of the Purchaser during construction, irrespective of whether the metering equipment has been installed at that time, at a flat charge of \$ _____ which will be paid by the contractor or, on his failure to pay, by the Purchaser.

4. (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 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.

5. (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 1 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.

6. (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.

7. (Miscellaneous) That the construction of the water supply distribution system by the Purchaser is being financed by a loan made or insured by, and/or a grant from, the United States of America, acting through Rural Development of the United States Department of Agriculture, and the provisions here of pertaining to the undertakings of the Purchaser are conditioned upon the approval, in writing, of the State Director of Rural Development.

8. (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.

9. THIS CONTRACT SUPERSEDES THE TERMS AND CONDITIONS OF THE ORIGINAL CONTRACT BETWEEN THE CITY OF STANFORD AND THE ROWLAND WATER ASSOCIATION, INC DATED AUGUST 21, 1972 AND SUBSEQUENT ASSIGNMENT TO THE MCKINNEY WATER ASSOCIATION, INC, DATED APRIL 16, 1974 AND NOVEMBER 14, 1978, AND ALL PREVIOUS WATER PURCHASE CONTRACTS BETWEEN THE PARTIES.

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In witness whereof, the parties hereto, acting under authority of their respective governing bodies, have caused this contract to be duly executed in FIVE (5) counterparts, each of which shall constitute an original.

Seller:

CITY OF STANFORD

By Bill Munn

Title MAYOR

Attest:

Dana Taylor

Secretary

Purchaser:

MCKINNEY WATER DISTRICT

By Jessie J. Hood

Title PRESIDENT

Attest:

Bobby Hasty

Secretary

This contract is approved on behalf of Rural Development this 10 day of March, 2015.

By Kevin C. Brown

Title Program Director

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CITY OF STANFORD

Resolution No. 2014-11-06

**A RESOLUTION APPROVING WATER PURCHASE CONTRACT WITH
MCKINNEY WATER DISTRICT.**

WHEREAS the City Council of the City of Stanford Kentucky is aware the City of Stanford is in need to modify the terms of the Water Purchase Contract with McKinney Water District.

NOW THEREFORE IT BE RESOLVED BY THE CITY COUNCIL OF THE CITY OF STANFORD, KENTUCKY:

That the City Council of the City of Stanford, Kentucky approves the Water Purchase Contract with the McKinney Water District to modify the rate to \$2.80 per 1000 gallons sold and to increase the quantity of water to be delivered to 425,000 gallons per day, combined from all delivery points.

This Resolution shall take effect after its passage.

First reading of this Resolution: November 6, 2014


MAYOR, WILLIAM MIRACLE

Attest:


City Clerk

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