

This CONTRACT entered into as of this the 6th day of July, 1969, by and between the CITY OF LIVERMORE, Kentucky, hereafter called "CITY", and NORTH MCLEAN COUNTY WATER DISTRICT, McLean County, Kentucky, hereafter called "DISTRICT";

W I T N E S S E T H:

WHEREAS, the CITY is the Owner and Operator of its municipal water system; and,

WHEREAS, the said DISTRICT is organized under the laws of Kentucky and orders of the McLean County Court to operate a water district in certain areas of McLean County, Kentucky, for the purpose of supplying water within said DISTRICT; and,

WHEREAS, the parties hereto have agreed upon the terms and conditions under which CITY shall sell and the DISTRICT shall purchase water to be distributed by the DISTRICT to its customers,

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained, it is covenanted and agreed between the parties hereto as follows:

(1) CITY agrees to sell, and DISTRICT agrees to purchase water for supplying certain DISTRICT'S customers for the term of this contract, said water to be of the same quality as that supplied by CITY to its customers within the City of Livermore, Kentucky.

basic
(2) CITY shall furnish such water to DISTRICT at the rate of 40¢ per one thousand (1,000) gallons. This rate shall be subject to adjustment at 5-year intervals following the date of this contract. Adjustments shall be made only as the rates to customers within the CITY are adjusted. Thus, if an adjustment would result in a five per cent (5%) decrease in the gross receipts from the sale of water to all CITY'S customers except DISTRICT for the period of one year immediately prior to the effective date of the rate decrease, then the rates charged to DISTRICT shall likewise be reduced in such manner as would result in a five per cent (5%) decrease in the gross receipts of CITY'S sales of water to DISTRICT, based upon the sales made

*60¢
at time*

in the preceding year.

(3) DISTRICT covenants to pay for all water purchased under this contract within ten (10) days after the CITY mails DISTRICT'S bill. If DISTRICT fails to pay any bill within thirty (30) days from the due date thereof, CITY shall have the right, without demand or further notice, to terminate the delivery of water to DISTRICT until such default is cured.

(4) The CITY shall deliver the water to DISTRICT'S lines at points in CITY'S system as is mutually agreed upon by the parties. Water shall be delivered at CITY'S system pressure.

(5) The DISTRICT shall furnish and the CITY shall operate and maintain the water metering devices at the point of delivery to DISTRICT'S lines. The master metering devices shall be furnished and maintained at the expense of DISTRICT and DISTRICT shall further furnish and maintain a spare master meter. The CITY shall make such tests and inspection of said meters as may be necessary to maintain them at the highest practical commercial standard of accuracy, with tests performed at intervals of not more than twelve (12) months, and CITY shall advise DISTRICT promptly of the results of all such tests. CITY shall give DISTRICT notice of and the opportunity to have representatives present at any such tests or inspections.

If such periodic or additional tests show that the metering is accurate within three per cent (3%) slow or fast, no correction shall be made in the billing to the DISTRICT. If any such tests show that metering is inaccurate by more than three per cent (3%) slow or fast, correction shall be made in the billing to DISTRICT for the period during which the parties agree that the inaccuracy existed, and if no such agreement is reached, then it shall be assumed that the error developed progressively from the date of the last metering test and appropriate adjustment shall be made.

(6) DISTRICT covenants that it will install in a good and workmanlike manner its entire system; that it will estab-

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lish reasonable rules and regulations governing the installation of the water systems of its customers; and that all materials and workmanship in all of the said systems shall be equal to the minimum recommendations of the American Waterworks Association.

DISTRICT covenants that throughout the life of this contract it will install and maintain storage capacity adequate to meet all of DISTRICT'S maximum hour requirements of water, if need should arise for such storage.

50 cent.

DISTRICT further covenants to maintain and operate its said system in accordance with the rules and regulations of the Public Health Authorities of the Commonwealth of Kentucky, McLean County, Kentucky, and of any other regulatory agencies, and if DISTRICT should fail so to maintain and operate its system, CITY shall have the right to terminate service during any such period of default by DISTRICT.

(7) DISTRICT recognizes that certain of the areas incorporated within the boundaries of the DISTRICT lie adjacent to CITY and that in the future it may be deemed desirable by CITY and the residents of said adjacent areas to have such areas incorporated into CITY.

DISTRICT agrees to cooperate in this respect, and, specifically, it agrees that as annexations are made to CITY the water meters may be moved to the new city boundary. DISTRICT further agrees that CITY may then purchase that portion of DISTRICT'S line, or lines, lying within the new city limits at its average construction cost, less depreciation, which would be a sum equal to the amount paid on the amortization of the bonds.

(8) This contract shall continue in full force and effect for a period of forty (40) years from the date of the initial bond issue financing the original construction of waterworks facilities within the DISTRICT, provided, however

that DISTRICT may, at its option, terminate this contract upon two (2) years written notice to CITY.

It is agreed, however, that before CITY is required to expand its facilities, if same should be necessary to meet its commitments under this contract, it reserves the right to require a supplemental agreement or amendment to this contract, to extend the option to terminate on part of DISTRICT in order to protect it in making an investment in expanded facilities in order to fulfill its commitments under this contract.

(9) CITY shall not be liable for any loss or damage occasioned by non-delivery of water under this contract caused by acts of God, fire, flood, explosion, strike, labor disturbance, civil or military authority, insurrection or riot, acts of the elements, failure of equipment, or for any cause whether similar or dissimilar, which is beyond the CITY'S reasonable control. CITY will assert every effort to assure continuity of supply of water to the DISTRICT and to remove any of said causes for non-delivery of water with diligence.

(10) All notices under this agreement shall be in writing and may be delivered in person to the Mayor of CITY or sent by mail to either party herein at the respective addresses first herein stated.

(11) This contract contains the entire agreement between the parties hereto, and there are no covenants, representations, warranties, or other terms or conditions affecting the construction, performance, or effectiveness of this contract except as stated herein.

(12) This contract shall extend to and bind the parties hereto and their respective successors and assigns; provided, however, that neither party hereto shall assign this contract without the written consent of the other party hereto, and furthermore, provided, however, that if the construction contract for the DISTRICT'S facilities is not awarded within two (2) years from the date of this contract, then this contract

shall become null and void.

IN TESTIMONY WHEREOF, the parties hereto have executed this instrument as of the date first herein written.

CITY OF LIVERMORE, KENTUCKY

By *Arthur W. Kersey*
MAYOR

ATTEST:

Tracy McClain
CLERK.

NORTH MCLEAN COUNTY WATER DISTRICT

By *Johnnie E. Phillips*
CHAIRMAN, BOARD OF COMMISSIONERS

ATTEST:

Margaret Howard
SECRETARY.