

*Eastbrook*  
*Contract (2 Copy)*

CONTRACT ADDENDUM

This contract is an addendum to the Water Purchase Contract and Sale Contract, which was entered into September 15, 1982, between the City of Harlan Municipal Water Works Commission and the Harlan County Fiscal Court.

WHEREAS, the Harlan County Fiscal Court has elected, under the authority granted in Section C-9 of the original water purchase contract, to assign that contract to the Black Mountain Water District.

WHEREAS, the Black Mountain Water District is organized and established under the provisions of KRS of the State of Kentucky for the purpose of constructing a water supply distribution system to the Coxton Community, and has agreed to accept the assignment of the original contract from the Harlan County Fiscal Court.

WHEREAS, the Black Mountain Water District and the City of Harlan Municipal Water Works Commission do mutually agree to the following amendment to the original water sale and purchase agreement.

Contract Subpart A, Paragraph 1 is amended to read as follows:

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 Kentucky DNREP, Division of Sanitary Engineering, in such quantity as may be required by the Purchaser not to exceed 77,000 gallons per day, except that this amount may be exceeded on a temporary basis as a result of additional water needed for fire control or lost as a result of pipe line failures. In the event of such usage or loss is known by the Purchaser.

Contract Subpart B, Paragraphs 2 and 3, is amended to read as follows:

2. (Connection Fee) To pay as an agreed cost, a connection fee to connect the Seller's system with the system of the Purchaser, the sum of \$80,000.00 dollars, which shall cover any and all costs of the Seller for construction of additional facilities needed by the Seller in order to provide the quantity of water required by the Purchaser.
3. The Purchaser agrees to maintain the meter and meter pit and all pipeline therefrom in good condition. The Purchaser further agrees that water lost through leakage that causes consistent or frequent withdrawal in excess of 77,000 gallons per day shall not be construed as water lost from pipeline failures on a temporary basis.

Contract Subpart C, Paragraphs 1, 2, 5, 6, and 12, is amended to read as follows:

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

FEB 04 1995

PURSUANT TO 807 KAR 5011,  
SECTION 9(1)

BY: *Quinn C. Neal*

1. (Term of Contract) That this contract shall extend for a term of 45 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) The meter will be installed by the Purchaser and approved by the Seller, prior to any sale or delivery of water. That 30 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.
5. (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 up to 77,000 gallons of water per day, except for additional withdrawals, as provided for hereinabove. 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. However, the Seller, in the event of failures in its system affecting all or a substantial portion of its customer, shall have the right to determine priority in restoring service to sections of its system taking into account the number and type customers in the system or the affected part or parts thereof. In the event water service is not totally restored to all customers within a reasonable period of time, this section will be restored at the same time as the Fairview section of Harlan, after the interruption, then the available supply will be made available to all customers on a proportionate basis usage.
6. (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 as the rates of the supplies other users are modified. 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, except on a prorated basis with other customers. Other provisions of this contract may be modified or altered by mutual agreement.
12. If customers, other than the Eastbrook Site and initial service area of the Black Mountain Water District, are to be connected, it would be subject to approval by the Seller.

Contract Subpart C, Paragraph 13, is added to read as follows:

13. This contract is hereby pledged to the Farmers Home Administration of the U. S. Department of Agriculture as a part of the security for loans executed to the Purchaser or its assigns.

In witness whereof, the parties hereto, acting under authority of their respective governing bodies, have caused this contract to be duly executed in three (3) counterparts, each of which shall constitute an original.

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
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FEB 04 1995

PURSUANT TO 807 KAR 5011,  
SECTION 9(1)

BY: J. L. Neal  
FOR THE PUBLIC SERVICE COMMISSION

SELLER:

By: Fred Howard

Title: Chairman

ATTEST:

Betty H. Howard  
Secretary

PURCHASER:

By: Reuben Hendrix

Title: Chairman

ATTEST:

Tommy Hendrix  
Secretary

This contract is approved on behalf of the Farmers Home

Administration this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

By: \_\_\_\_\_

Title: \_\_\_\_\_

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
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FEB 04 1935

PURSUANT TO 807 KAR 5.011,  
SECTION 9 (1)

BY: Quentin C. Neal  
FOR THE PUBLIC SERVICE COMMISSION

ASSIGNMENT

Pursuant to Subpart C, Paragraph 9, of the Water Purchase Contract, dated August 27, 1982, between the Harlan County Fiscal Court, Purchaser, and the City of Harlan, Seller, the contract is hereby assigned to the Black Mountain Water District.

Jerry Lee  
CLERK

Hugh Hall  
COUNTY JUDGE EXECUTIVE

Robert Jordan  
WATER DISTRICT CHAIRMAN

Ricky Hendrix  
SECRETARY, WATER DISTRICT

September 15, 1982  
DATE EXECUTED

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

FEB 04 1995

PURSUANT TO 807 KAR 5011,  
SECTION 9 (1)  
BY: Jordan C. Neel  
FOR THE PUBLIC SERVICE COMMISSION