

MEMORANDUM AGREEMENT

FOR THE TRANSMISSION OF TREATED WATER THROUGH CHRISTIAN COUNTY WATER DISTRICT FACILITIES TO CROFTON

THIS AGREEMENT, made this 17TH day of JULY, 2002, by and between the Hopkinsville Sewerage and Water Works Commission d/b/a Hopkinsville Water Environment Authority ("HWEA"), individually, and on behalf of Crofton/HWEA, its subsidiary; and the Christian County Water District ("CCWD").

RECITALS

WHEREAS, HWEA treats and sells potable water to the CCWD under the terms of a June 28, 1973 Contract, as amended and modified; and

WHEREAS, CCWD owns, operates, and maintains a water distribution system outside of the HWEA service area; and

WHEREAS, HWEA has recently acquired the Crofton Water and Wastewater System and is desirous of abandoning the Crofton Water Treatment Plant (Crofton WTP) and that the Crofton/HWEA service area be supplied with water furnished by the CCWD in accordance with the following agreement;

WITNESSETH:

In consideration of the premises contained herein the parties agree as follows:

1. TRANSMISSION CHARGE: HWEA will pay CCWD a transmission charge of \$0.35 per thousand gallons of water transported through the CCWD owned mains and appurtenances to Crofton/HWEA for the initial term of the agreement. The transmission charge may be adjusted annually upon renewal of this agreement on the basis of demonstrable changes in the cost to CCWD of providing transmission services. The amount transported through the CCWD owned mains to the Crofton

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BY Charles L. Dora
EXECUTIVE DIRECTOR

Water System/HWEA will be measured by a master meter located in a vault at the bottom of the Crofton Elevated Storage Tank or area or areas which are mutually agreeable to both parties. HWEA will read the meter monthly and submit the reading to the CCWD. CCWD may, if it chooses, use its own billing cycle dates and/or meter reading dates to generate its billing.

2. METHOD OF PAYMENT: Upon determining the amount of usage recorded upon the master meter, and verification of the meter reading, a bill for the transmission of the water per 1,000 gallons (plus the actual cost of acquiring this water in the event CCWD purchases water from a source other than HWEA) will be issued to HWEA by CCWD. Payment will be expected no later than the due date as indicated on the bill. Late fees and other applicable charges will be imposed as stated in CCWD tariffs on file with the Kentucky Public Service Commission.
3. RIGHT OF ENTRY: Official representatives of the CCWD, or their agents, shall have the right of entry into the HWEA meter pit at the Crofton Elevated Tank and/or other areas at any and all times for the purpose of reading the master meter and examining an inspection of all other appurtenances.
4. METER ACCURACY: Either party may request that an accuracy test be performed on the master meter or any other metering device used to determine the monthly billing. HWEA agrees to pay for a yearly meter accuracy test; should the master meter vary by + or - 2% from 100% accuracy, HWEA agrees to replace said master meter within seven days. CCWD may use estimated billing until such time as an accurate measuring device has been installed.
5. WITHDRAWAL LIMITS: HWEA shall provide and install at the point of withdrawal such mechanical pressure sustaining devices as required to assure that the rate of withdrawal from the CCWD system is limited to an amount that will not at any time decrease the pressure in the CCWD system at a point immediately upstream of the withdrawal point to a gauge pressure below 80 psi, nor at any time reduce the pressure in any part of the CCWD distribution system below the minimum pressure required by

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BY James H. [Signature]
EXECUTIVE DIRECTOR

regulatory authorities.

6. OTHER CONDITIONS: Should the facilities used to transport water to Crofton/HWEA be out of commission temporarily, or otherwise, for any reason, HWEA will agree to exonerate and hold harmless CCWD and to further indemnify CCWD for any and all claims of third parties who are customers of the Crofton HWEA System. HWEA agrees to give CCWD a minimum of seven days notice prior to re-commissioning of the Crofton Water Treatment Plant (Crofton WTP) if such a decision shall be made in the future.
7. EFFECTIVE DATE. Effective date of this agreement shall be the first day of which HWEA starts accepting water transported through the CCWD mains and appurtenances.
8. LENGTH OF AGREEMENT: This agreement shall be for an initial period of one year from the effective date of this agreement and will be automatically renewed thereafter on each successive anniversary of its inception. Either party may cancel this agreement with six (6) months prior written notice.
9. ADDITIONAL METERING POINTS: HWEA, further agrees to provide CCWD with five new and additional master metering points (water withdrawal points) ~~at no cost~~ to CCWD. These five additional master metering withdrawal points are in addition to those master metering locations previously agreed to by and between HWEA and CCWD in previous contracts and agreements. At the discretion of CCWD, these additional metering points may be utilized from any HWEA main or transmission water line, as well as from the water system for the City of Crofton/HWEA, or the City of Pembroke, which is also currently operated by HWEA. The granting of these new and additional master meter points shall be considered as permanent and perpetual, and may be utilized by CCWD, its successors and assigns, at such time in the future as CCWD so desires.
10. BINDING EFFECT: This agreement and the rights and obligations set forth herein shall be binding upon the parties to this agreement, as well as to their successors and assigns.

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EXECUTIVE DIRECTOR

11. SEVERABILITY. This agreement does not affect or modify any other section or condition of the previously existing agreements between HWEA and CCWD.

IN TESTIMONY WHEREOF, witness the signatures of the parties by their duly authorized officers as evidenced by resolutions or motions of their respective governing boards as of the day and year first above written, it being understood and agreed that this agreement may be executed in two or more counterparts each of which shall constitute an original.

HOPKINSVILLE WATER
ENVIRONMENTAL AUTHORITY

By: Hill Ferguson III
Hill Ferguson, III, Chairman

ATTEST:

[Signature]
Secretary

Subscribed, sworn to, and acknowledged before me by Hopkinsville Water Environmental Authority by Hill Ferguson, III, Chairman, and attest

Ken Hale, secretary, this 17th day of July, 2002.

My commission expires 11/30/04
Patricia C. Wilkey
Notary Public

CHRISTIAN COUNTY WATER
DISTRICT
PUBLIC SERVICE COMMISSION
OF KENTUCKY

By: William Lile
William Lile, Chairman

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BY: Chas. W. [Signature]
EXECUTIVE DIRECTOR

ATTEST:

Austin Young
Secretary

Subscribed, sworn to, and acknowledged before me by Christian County
Water District by William Lile, Chairman, and attest Austin Young,
secretary, this 11 day of July, 2002.

My commission expires Oct. 27, 2005.

James Owen
Notary Public

This instrument was prepared by

John P. Kirkham
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Hopkinsville, KY 42241-0585

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BY Charles L. ...
EXECUTIVE DIRECTOR