

WATER PURCHASE CONTRACT

This contract for the sale and purchase of water is entered into as of this 23rd day of September 1967, between Hardin County Water District Number One, Radcliff, Kentucky, herein after referred to as District Number One, and Hardin County Water District Number Two, of Elizabethtown, Kentucky, herein after referred to as District Number Two.

WITNESSETH

Whereas, District Number Two has been organized and established under the provisions of Chapters 74 and 106 of the Kentucky 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 District Number Two and to accomplish this purpose, the District will require a supply of treated water, and

Whereas, District Number One owns and operates a water supply distribution system with a capacity currently capable of serving the present customers of the District's system and the estimated number of water users to be served by the said Water District Number Two as shown in the plans of the system now on file in the office of District Number Two, and

Whereas, by resolution enacted on the 5th day of August, 1966, by the Board of Commissioners of Hardin County Water District Number One, the sale of water to District Number Two in accordance with the provisions of the said resolution was approved, and the execution of this contract carrying out the said resolution by the Chairman, and attested by the Secretary, was duly authorized, and

Whereas, by resolution of the Board of Commissioners, of District Number Two, enacted on the 23rd day of September 1967, the purchase of water from the District in accordance with the terms set forth in the said resolution was approved, and the execution of this contract by the Chairman, and attested by the Secretary-Treasurer, was duly authorized;

Now, therefore, in consideration of the foregoing and the mutual agreements hereinafter set forth,

A. District Number One Agrees:

1. (Quality and Quantity) To furnish District Number Two, 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 State Board of Health (or

other cognizant agency) in such quantity as may be required by District Number Two (not to exceed 40,000,000 gallons permonth)

2. (Point of Delivery and Pressure) That water will be furnished at a reasonably constant normal pressure calculated at 40 pounds from an existing 10 inch main supply at a point located 100 feet North of Kentucky Highway 434 on the Right -of-way at U.S. 31-W. If a greater pressure than that normally available at the point of delivery is required by District Two, the cost of providing such greater pressure shall be borne by District Two. Emergency failures of pressure or supply due to main supply line breaks, power failure, flood, fire and use of water to fight fire, earthquake or other catastrophe shall excuse District One from this provision for such reasonable period of time as may be necessary to restore service.

3. (Metering Equipment) To furnish, install, operate, and maintain at its own expense at point of delivery, the necessary metering equipment, including a meter house or pit, and required devices of standard type for properly measuring the quantity of water delivered to District Two and to calibrate such metering equipment whenever requested by District Two but not more frequently than once every twelve (12) months. A meter registering not more than two percent (2%) above or below the test result shall be deemed to be accurate. The previous readings of any meter disclosed by test to be inaccurate shall be corrected for the 3 months previous to such test in accordance with the percentage of inaccuracy found by such tests. If any meter fails to register for any period, the amount of water delivered in the corresponding period immediately prior to failure, shall be deemed the amount of water delivered during such failure, unless both Districts shall agree upon a different amount. The metering equipment shall be read on the last day of each month.

4. (Billing Procedure) To furnish the Secretary of District Two, at their principal office, not later than the tenth day of each month, with an itemized statement of the amount of water furnished the District during the preceding month.

B. District Number Two Agrees:

1. (rates and Payment Date) To pay District Number One, not later than the 15th day of each month, for water delivered with the following schedule of rates:

- a. \$26.00 for the first 100,000 gallons (or like sum) as a minimum rate per month.
- b. \$.26 cents per 1000 gallons for water in excess of 100,000 but less than 200,000
- c. \$.26 cents per 1000 gallons for water in excess of 200,000 gallons.

2. (Connection Fee) To pay as an agreed cost, connection fee

to connect the two systems, the sum of No dollars which shall cover any and all costs of District One for installation of the metering equipment.

C. It is further mutually agreed between the Districts as follows:

1. (Term of Contract) That this contract shall extend for a term of 40 years from the date of initial delivery of any water by District One to District Two and, thereafter may be renewed or extended for such term, or terms, as may be agreed upon by the Districts.

2. (Delivery of Water) That 10 days prior to the estimated date of completion of construction of District Two's water supply distribution system, District ~~Two~~ will notify District One in writing the initial date for delivery of water.

3. (Water for Testing) When requested by District Two, District One 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 District Two during construction, irrespective of whether the metering equipment has been installed at that time, at a flat charge of 26 cents per 1000 gallons which will be paid by the contractor or, on his failure to pay, by the District Two.

4. (Failure to Deliver) That District One will, at all times, operate and maintain its system in an efficient manner and will take such action as may be necessary to furnish District Two with quantities of water required by them. 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 to District One is otherwise diminished over an extended period of time, the supply of water to District Two customers shall be reduced or diminished in the same ratio or proportion as the supply to District One's customers is reduced or diminished.

5. (Modification of Contract) That the provisions of this contract pertaining to the schedule of rates to be paid by District Two for water delivered are subject to modification at the end of every 5 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 District One'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 the State of Kentucky and the District's will collaborate in obtaining such permits, certificates, or the like, as may be required to comply thereunder.

7. (Miscellaneous) That the construction of the water supply distribution system by District Two is being financed by a loan from (or a loan insured by) the United States of America, acting through the

Farmers Home Administration of the United States Department of Agriculture, and the provisions hereof pertaining to the undertakings of District Two are conditioned upon the approval, in writing, of the State Director of Kentucky, of the Farmers Home Administration. Similarly, any modifications of the provisions of this contract, including any increase in the schedule of rates to be paid by the District for the delivery of water shall be conditioned upon the prior approval, in writing, of the State Director of Kentucky, of the Farmers Home Administration.

8. (Successor to the District Two) That in the event of any occurrence rendering District Two incapable of performing under this contract, any successor of the District, whether the result of legal process, assignment, or otherwise, shall succeed to the rights of the District hereunder.

In witness whereof, the parties hereto, acting under authority of their respective governing bodies, have caused this contract to be duly executed.

HARDIN COUNTY WATER DISTRICT NUMBER ONE

By HC Danner
Chairman

Attest:

[Signature]
Secretary

HARDIN COUNTY WATER DISTRICT NUMBER TWO

By EB Dewitt
Chairman

Attest:

[Signature]
Secretary-Treasurer

This contract is approved on behalf of the Farmers Home Administration this ____ day of _____, 19 ____.

State Director of Kentucky