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MAY 31 1988

Attached to and made
a part of Contract No. DABT23-88-S-0001

RATES AND TARIFFS

SPECIAL PROVISIONS C (6)
RAW WATER SERVICE

For use of this form, see AN420-41; the proponent agency is the Office of the Chief of Engineers

1. ESTIMATED REQUIREMENTS.

Estimated daily maximum demand 800 KGAL

Estimated annual consumption 292,000 KGAL

(The parties hereto are not obligated to deliver or receive, nor are they restricted to, the above amounts.)

2. POINTS OF DELIVERY. The point of delivery of water shall be the point of connection with the Government's water main, and located off the 24" water main located in the West Point Well Field

3. QUALITY OF WATER. The Government will supply the same quality of raw water as supplied to Fort Knox, Kentucky by means of its water system located at the said Fort Knox, Kentucky

4. RATES. The rates to be charged the Purchaser by the Government for the water service described herein, are as follows:
The higher of the "B" or "C" rate. Rate "B" is the cost to the Government including losses and administrative overhead and capital charges on the active well fields. Rate "C" is the local prevailing rate. If during the period of the contract, the cost to the Army of furnishing the utility service should increase or decrease by 5 percent or more, the contract will be adjusted to conform with the change in cost.

5. METERING AND BILLING. Water will be measured by the Government master meter at the Muldraugh Pumping Plant. The meter(s) will be read by the Purchaser and the Government and bill will be rendered monthly to the Purchaser by the Government. All such bills will be due and payable 15 days after receipt thereof by the Purchaser. A charge for late payment shall be in accordance with AR37-100 paragraph 630f. Collection for such charges shall be accomplished by the finance and accounting office.

6. ALTERATIONS AND ADDITIONS.

CONTRACT FOR SALE OF UTILITIES SERVICES

For use of this form, see AR420-41; the proponent agency is the Office of the Chief Engineers.

Contract No. DABT23-88-S-0001
Estimated Annual
Cost to Purchaser \$456,700.00

THIS CONTRACT, entered into this 29th day of October 1987 by and between the UNITED STATES OF AMERICA (hereinafter called the "Government"), represented by the Utilities Sales Officer executing this contract and Hardin County Water District #1, Radcliff, Kentucky 40160 (Hereinafter called the "Purchaser")

WITNESSETH THAT:

WHEREAS, the Government has established and operates a Class 1 Installation near at Fort Knox, Kentucky known as Fort Knox, and owns, maintains and operates facilities for the furnishing of utility service and WHEREAS, the Purchaser desires to obtain water service from the Government, as required to meet an emergency water shortage not to exceed one hundred eighty (180) days unless otherwise agreed to by the Government, and which cannot be readily obtained from any other source; and WHEREAS, construction of facilities in connection with the sale of such service to the Purchaser will not hinder the construction of public or private utility service facilities of a like nature; WHEREAS, pursuant to 10 U.S.C. 2481 the Government is authorized to sell utility service required by the Purchaser; NOW, THEREFORE, in consideration of the premises and the mutual agreement herein contained, to be performed by the parties hereto respectively, it is agreed as follows:

GENERAL PROVISIONS

1. SERVICES TO BE RENDERED. From and after the effective date of this contract, the Government will furnish, subject to the limitations hereinafter provided, and the purchaser will receive and pay for such utility services as described in Special Provisions C attached hereto and made a part hereof.
2. PAYMENTS. For and in consideration of the performance of the stipulations of this contract, the Purchaser shall pay the Government for service herein contracted for, at the rates and under the terms and conditions set forth in attached Special Provisions.

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3. USE OF SERVICE. The Government, by reason of this contract, is not obligated to permanently supply the Purchaser with utility service. The service described herein is temporarily supplied as an accommodation to Purchaser as the Government service is presently available, service is not otherwise readily obtainable by the Purchaser, and the furnishing of such service under the existing conditions is deemed to be in the public interest. Purchaser's use of such service is limited to such time as service can be supplied by the Government as surplus to its own needs, the Government has facilities and personnel available to supply the service and the service is not readily available to the Purchaser from another source. Purchaser shall use the services provided herein in such a manner as not to in any way disrupt or interfere with the requirements of the Government or any other Purchaser that may be served by the Government.

4. CHANGE IN RATES. The rates for service to be charged the Purchaser shall be the local prevailing rates, if any, for similar service, provided that the rates shall at all times produce a revenue which is not less than the cost to the Government of supplying the service, including losses, overhead and capital charges. If during the life of this contract there should be an appreciable change in the applicable local prevailing rates or in the cost to the Government, the contract rates set forth herein will be adjusted as required to conform therewith and the Government agrees to furnish, subject to the conditions set forth herein, and Purchaser agrees to take and pay for, such service at the adjusted rates from and after the date when such adjusted rates are made effective. The rates and charges applicable to the service or services contemplated herein will be reviewed annually, or more often if necessary, in compliance with the above requirements.

5. LIABILITY. The Purchaser shall hold and save the Government, its officers, agents and employees, harmless from liability of any nature or kind, for or on account of any claim or action that may be asserted in connection with the services furnished under this contract. The Government will not be held liable for failure to provide continuous service and will not guarantee quality or quantity of service to be supplied nor will the Government be made liable for termination of services.

6. TERMINATION. Services under this contract may be terminated by either party by written notice not less than thirty days in advance of the effective date of termination; provided that in the event of a national emergency proclaimed by the President, the Government may terminate this contract immediately without such advance notice. It is further mutually agreed that this contract will be terminated at such time as:

a. The service contemplated herein becomes readily from another source, or

b. The installation furnishing said service becomes inactive, or

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c. The Government no longer has facilities and/or personnel available to supply the service, or

d. The Government can no longer supply such service as surplus to its own needs.

7. RECAPTURE. In the event this contract is terminated in accordance with the terms hereof, the Government shall have the right to recapture immediately any utility facility it may have furnished in connection with the sale of any utility service to the Purchaser.

8. FACILITIES TO BE PROVIDED. The Government shall not be obligated in any way for the cost of making connections for Purchaser's service. Purchaser shall at Purchaser's expense, install, maintain and operate all new facilities required for obtaining service, including suitable metering and regulating equipment and service connections to Government's utility system except as noted in Special Provisions C, paragraph 6, Alterations and Additions. Plans for all such facilities shall be subject to the approval of the Utilities Sales Officer and the installation of such facilities shall be subject to his supervision.

9. LICENSE FOR FACILITIES. The Government hereby grants to the Purchaser a license to enter upon and use a site or sites to be agreed upon between the parties heretofore upon which the Purchaser shall install, operate and maintain the Purchaser's new facilities to be located on Government property for obtaining service; and such license shall continue in effect until termination of this contract. Facilities installed by the Purchaser on a Government installation will be removed promptly at the expense of the Purchaser upon termination of the service contemplated herein. Government land and facilities will be restored to their original condition at the expense of the Purchaser. If the Purchaser fails to so remove such facilities within ninety (90) days they will be deemed to be abandoned and become Government property.

10. OFFICIALS NOT TO BENEFIT. No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom, but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

11. COVENANT AGAINST CONTINGENT FEES. The Purchaser warrants that no person or selling agency has been employed or retained to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Purchaser for the purpose of securing business. For breach or violation of this warranty the Government shall have the right to annul this contract without liability or in its discretion to require the Purchaser to pay, in addition to the contract price or consideration, the full amount of such commission, percentage, brokerage, or contingent fee.

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12. DISPUTES. (a) Except as otherwise provided in this contract, any dispute concerning a question of fact arising under this contract which is not disposed of by agreement shall be decided by the Utilities Sales Officer, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Purchaser. The decision of the Utilities Sales Officer shall be final and conclusive unless, within 30 days from the date of receipt of such copy, the Purchaser mails or otherwise furnishes to the Utilities Sales Officer a written appeal addressed to the Secretary. The decision of the Secretary or his duly authorized representative for the determination of such appeals shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, or capricious, or arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence. In connection with an appeal proceeding under this clause, the Purchaser shall be afforded an opportunity to be heard and to offer evidence in support of its appeal. Pending final decision of a dispute hereunder, the Purchaser shall proceed diligently with the performance of the contract and in accordance with the Utilities Sales Officer's decision.

(b) This "Disputes" clause does not preclude consideration of legal questions in connection with decisions provided for in paragraph (a) above: Provided, That nothing in this contract shall be construed as making final the decision of any administrative official, representative, or board on a question of law.

13. DEFINITIONS. As used throughout this contract, the following terms shall have the meanings set forth below:

a. The term "Secretary" means the Secretary, the Under Secretary, or any Assistant Secretary of the Department, and the head or any assistant head of the Federal agency; and the term "his duly authorized representative" means any person or persons or board (other than the Utilities Sales Officer) authorized to act for the Secretary.

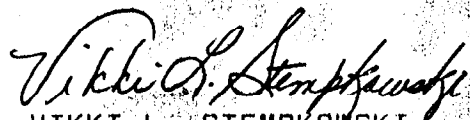
b. The term "Utilities Sales Officer" means the person executing this contract on behalf of the Government, and any other officer or civilian employee who is a properly designated Utilities Sales Officer, and the term includes, except as otherwise provided in this contract, the authorized representative of a Utilities Sales Officer acting within the limits of his authority.

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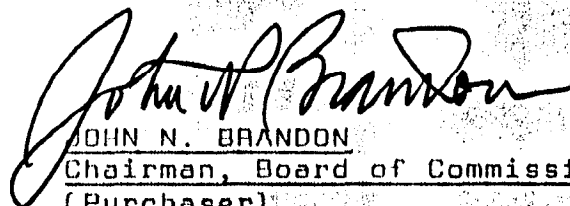
IN WITNESS WHEREOF, the parties hereto have executed this contract as
the day and year first above written.

THE UNITED STATES OF AMERICA

BY



VIKKI L. STEMPKOWSKI
Fort Knox Utilities Sales Officer
(Official Title)



JOHN N. BRANDON
Chairman, Board of Commissioners
(Purchaser)

Chairman, Board of Commissioners
Hardin County Water District #1
409 West Lincoln Trail Boulevard
P.O. Box 489
Madcliff, Kentucky 40610
(Business Address)

"This contract is subject to the written approval of the Army Power
Procurement Officer or representative and shall not be binding until
so approved."

Attached to and made
a part of Contract No. DABT23-88-S-0001

SPECIAL PROVISIONS C (S)
TREATED WATER SERVICE

For use of this form, see AR420-41; the proponent agency is the Office of the Chief of Engineers

1. ESTIMATED REQUIREMENTS.

Estimated daily maximum demand 1,000 KGAL

Estimated annual consumption 365,000 KGAL

(The parties hereto are not obligated to deliver or receive, nor are they restricted to, the above amounts.)

2. POINT OF DELIVERY. The point of delivery of water shall be the point of connection with the Government's water main, and located in South Dietz Acres for treated water - 10" main.

3. QUALITY OF WATER. The Government will supply the same quality of potable water as supplied to Fort Knox, Kentucky by means of its water system located at the said Fort Knox, Kentucky

4. RATES. The rates to be charged the Purchaser by the Government for the water service described herein, are as follows:
The higher of the "B" or "C" rate. Rate "B" is the cost to the Government including operation and maintenance costs, losses and administrative overhead and capital charges. Rate "C" is the local prevailing rate. If during the period of the contract, the cost to the Army of furnishing the utility service should increase or decrease by 5 percent or more, the contract will be adjusted to conform with the change in cost.

5. METERING AND BILLING. Water will be measured by an hour meter on the motor which is to be furnished, installed and maintained by the Purchaser. The meter(s) will be read by the Purchaser and spot checked by the Government and bill will be rendered monthly to the Purchaser by the Government. All such bills will be due and payable 15 days after receipt thereof by the Purchaser. A charge for late payment shall be in accordance with AR37-108 paragraph 630f. Collection for such charges shall be accomplished by the finance and accounting office.

6. ALTERATIONS AND ADDITIONS. The following is added:
Lines on Government property that serve only the Purchaser, between the active Government distribution system and the intake of the booster pump, shall be maintained by the Government. Maintenance costs of these lines are not included in the sales rate and shall be reimbursed by the Purchaser.