	Position 5	
USDA-FHA Form FHA 442-30		÷
(Rev. 4-19-72)	WATER PURCHASE CONTRACT	
	d purchase of water is entered into as of the 2	
•	ersville Water Commission (City of S	alversville) /,
P. O. Box 640 Salv	ersville, Ky. (Address)	RECEIVED
	(Address)	
hansing from a format to an the fig.	eller' and theMagoffin County Water D	AUG 3 0 1994
nereinaller reierred to as the Se		PUBLIC SERVICE
P.O. Box 430, Salyer	sville, Ky. (Address)	COMMISSION
Whereas, the Purchaser is org	WITNESSETH:	hapter 74 of the
	· · · · · · · · · · · · · · · · · · ·	_
	ised Statutes, for the purpose of constructing	
	hin the area described in plans now on file in the c require a supply of treated water, and	office of the Purchaser and to accomplish
present customers of the Seller's	operates a water supply distribution system with a operates a water supply distribution system with a operated number of water users to be n file in the office of the Purchaser, and	
Whereas, by <u>Resolution</u>	onNoenacted on the .	day
of January	, 19 <u>83</u> , by the Seller, the sale	of water to the Purchaser in accordance
vith the provisions of the said _	Resolutionwas app	roved, and the execution of this contract

Board of Commissioners _____ of the __ <u>Resolution</u> Whereas, by __

, 19 <u>83</u> _day of _ of the Purchaser, enacted on the _

Resolution the purchase of water from the Seller in accordance with the terms set forth in the said _ PUBLIC SERVICE COMMISSION CourOFKENTUCKYDistriand was approved, and the execution of this contract by the <u>Chairman of the Magoffin</u> EFFECTIVE attested by the Secretary was duly authorized;

Now, therefore, in consideration of the foregoing and the mutual agreements hereinafter set forth, SEP 22 1994

The Seller Agrees: A.

1.	(Quality and Quantity) To furnish the Purchaser at the point of delivery hereinate	JANIL JO 807 KAR 51 SECTION 24 (1)	helterm of
this contract	ct or any renewal or extension thereof, potable treated water meeting applicabl&yurity FOR THE	PL2 20	nes i

Ky DNRSP and State Health Department

in such quantity as may be required by the Purchaser not to exceed _7,000,000 gallons per month. nor 160 gpm at each metering station.

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FHA 442-30 (Rev. 4-19-72)

2. (Point of Delivery and Pressure) That water will be furnished at a reasonably constant pressure calculated

t 30 psi from an existing Six (6) and Eight (and have supply at a point supply at a

illustrated on attached map.

If a greater pressure than that normally available at the point of delivery is required by the Purchaser, the cost of providing such greater pressure shall be borne by the Purchaser. Emergency failures of pressure or supply due to main supply linebreaks, power failure, flood, fire and use of water to fight fire, earthquake or other catastrophe shall excuse the Seller 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 the Purchaser and to calibrate such metering equipment whenever requested by the Purchaser 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 ______ three (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 furnished during such period shall be deemed to be the amount of water delivered in the corresponding period immediately prior to the failure, unless Seller

and Purchaser shall agree upon a different amount. The metering equipment shall be read on <u>during 4th week of month</u> An appropriate official of the Purchaser at all reasonable times shall have access to the meter for the purpose of verifying its readings.

4. (Billing Procedure) To furnish the Purchaser at the above address not later than the <u>5 rh</u> day of each month, with an itemized statement of the amount of water furnished the Purchaser during the preceding month.

B. The Purchaser Agrees:

1. (Rates and Payment Date) To pay the Seller, not later than the <u>15th</u> day of each month, for water delivered in accordance with the following schedule of rates:

- a. \$ _____gallons, which amount shall also be the minimum rate per month.
- b. \$ <u>1.25</u> cents per 1000 gallons for water in xerce as coto x x x x x x x x x x x x x x x yes if an or cents of the centre of

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> PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE

SEP 22 1994

PURSUANT TO 807 KAR 5:011, SECTION 3:(1)

BY: FOR THE PL

2. (Connection Fee) To pay as an agreed cost, a connection fee to connect the Seller's system with the system

appropriately sized as shown by invoice to include labor and materials and an additional 10% of these costs. Thereinafter seller shall be responsible for maintenance and accuracy of said metering equipment.

C. It is further mutually agreed between the Seller and the Purchaser as follows:

1. (Term of Contract) That this contract shall extend for a term of \underline{forty} (40) 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) That <u>thirty (30)</u> days prior to the estimated date of completion of construction of the Purchaser's water xapphycdistribution system_{il} the Purchaser will notify the Seller in writing the date for the initial delivery of water. Or any Section thereof.

3. (Water for Testing) When requested by the Purchaser the Seller 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 the Purchaser during construction, irrespective of whether the metering equipment has been installed at that time, at a

flat charge of \$ _____1.25/1000g which will be paid by the contractor or, on his failure to pay, by the Purchaser.

4. (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 quantities of water required by the Purchaser. 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.

5. (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 at the end of every <u>two (2)</u> 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 the Seller's system. Other provisions of this contract may be modified or altered by mutual agreement. (See item 9)

6. (Regulatory Agencies) That this contract is subject to such rules, regulations, or laws as may be applicable to similar agreements in this State and the Seller and Purchaser will collaborate in obtaining such permits, certificates, or the like, as may be required to comply therewith.

7. (Miscellaneous) That the construction of the water supply distribution system by the Purchaser is being financed by a loan made or insured by, and/or a grant from, 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 the Purchaser are conditioned upon the approval, in writing, of the State Director of the Farmers Home Administration.

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

9. All subsequent rate changes will occur at the same time and in the same percentage of change as applied to all customers of the Salyersville Water Commission both inside and outside the city.

10. It is agreed that all of the Purchaser's rights and equities under this contract may be and the same are hereby pledged to the USDA, FmHA, as security for a loan FmHA proposes to make to purchaser to finance the construction of a water system.

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE

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In witness whereof, the parties hereto, acting under authority of their respective governing bodies, have caused this contract to be duly executed in <u>Seven (7)</u> counterparts, each of which shall constitute an original.

Attest: Arlatta Abuard

Seller:

SALYERSVILLE WATER COMMISSION mpen By Title Purchaser: MAGOFFIN COUNTY WATER COMMISSION , 10 By Title _____CHAIRMAN.

Attest: Secretan

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This contract is approved on behalf of the Farmers Home Administration this ______ day of _____

19 _____.

By ______

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SEP 22 1994

PURSUANT TO 807 KAR 5:011, SECTION P (1)

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