

WATER PURCHASE AGREEMENT

This Water Purchase Agreement (the "Agreement") for the sale and purchase of water is made and entered into as of the 1st day of October, 2025, by and between the **MUHLENBERG COUNTY WATER DISTRICT NO. 3**, P.O. Box 67, Bremen, Kentucky 42325, hereinafter referred to as the "Seller," and the **CITY OF SACRAMENTO, KENTUCKY**, P.O. Box 245, Sacramento, Kentucky 42372, hereinafter referred to as the "Purchaser."

WITNESSETH:

WHEREAS, the Seller is a water district organized under the provisions of the KRS Chapter 74;

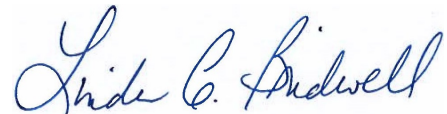
WHEREAS, the Seller currently owns and operates a water distribution system;

WHEREAS, the Purchaser is a duly organized and existing municipal corporation and city of the home rule class of the Commonwealth of Kentucky.

NOW THEREFORE, in consideration of the foregoing and the mutual terms and conditions contained herein, the Seller and Purchaser agree as follows:

KENTUCKY
PUBLIC SERVICE COMMISSION

Linda C. Bridwell
Executive Director



EFFECTIVE

11/1/2025

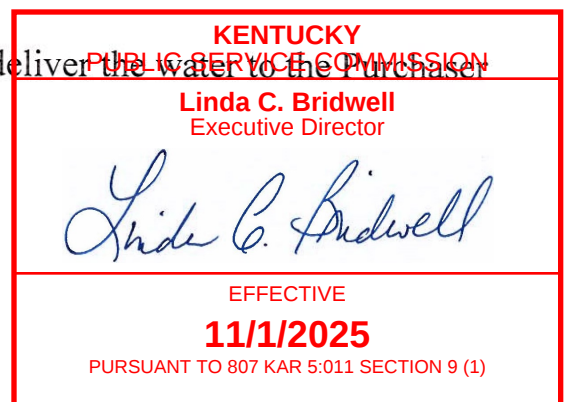
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

1. **Term of Agreement.** The term of this Agreement shall extend for a period of approximately three (3) years, commencing on October 1, 2025 hereof and terminating on October 31, 2028, unless otherwise extended or modified by written agreement of the Parties.

2. **Quality and Quantity.** The Seller shall furnish to the Purchaser, at the points of delivery hereinafter specified, during the term of this Agreement or any renewal or extension thereof, potable, treated water meeting the applicable purity standards of all appropriate State and Federal Regulatory Agencies in such quantity as may be requested by the Purchaser, but not to exceed 200,000 gallons per day.

3. **Minimum Purchase Amount.** The Purchaser shall purchase from the Seller a minimum of **300,000 gallons** of water per month (the "Minimum Quantity") during the term of this Agreement or any renewal thereof. In the event the Purchaser fails to purchase the Minimum Quantity in any month, it shall be billed for and shall pay for 300,000 gallons. In the event the Purchaser purchases more than the Minimum Quantity in a particular month, the excess amount shall **not** be carried forward to the next month.

4. **Points of Delivery.** The Seller shall deliver the water to the Purchaser at the existing points of delivery.



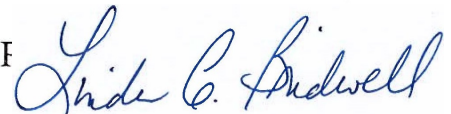
5. **Metering Equipment.** The Seller shall furnish, install, own, operate and maintain at its own expense the necessary metering equipment, including one or more meter enclosures and the required devices for properly and reliably measuring the quantity of water delivered to the Purchaser.

6. **Billing and Payment Procedure.** The Seller shall furnish the Purchaser at the above address, not later than the first business day of each month, an itemized statement of the amount of water furnished the Purchaser during the preceding billing cycle and the cost thereof. The Purchaser shall pay those charges not later than the 15th day of each month. Any amount unpaid after the due date shall be subject to a 10% late payment fee.

7. **Operation of System.** The Seller shall, at all times, operate and maintain its water system in an efficient manner and shall take such action as may be reasonably necessary to perform its obligations under this Agreement. Temporary or partial failures to deliver water shall be remedied diligently with all practicable dispatch. The Seller shall immediately inform the Purchaser by telephone, by email, or by facsimile transmission of the nature and extent of such temporary or partial failure to deliver water. In the event of an extended shortage of water, or if the supply of water available to the Seller is otherwise diminished over an extended period of time, the supply of water to the P

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EFFECTIVE

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diminished in the same proportion as the supply to the Seller's other customers is reduced or diminished. The Purchaser also agrees to take such steps as may be reasonably necessary to curtail water usage within its system in response to a shortage of water.

8. **Initial Rate.** The initial wholesale rate shall be **\$5.29** per 1,000 gallons. This initial rate shall remain in effect until Central City increases its wholesale rate to the Seller or the Seller is granted a rate increase by the Kentucky Public Service Commission. Central City's current wholesale rate to the Seller is \$4.57 per 1,000 gallons. As Central City's wholesale rate to the Seller is increased, the wholesale rate charged by the Seller to the Purchaser shall also increase.

9. **Paragraph Headings.** The descriptive headings of the various paragraphs of this Agreement have been inserted for convenience of reference only and shall in no way modify or restrict any of the terms and provisions hereof.

10. **Entire Agreement; Severability.** This Agreement constitutes the entire agreement between the Parties with respect to the subject matter contained herein. Except as otherwise provided herein, no subsequent alteration, amendment, change or addition to this Agreement shall be binding upon either Party unless and until it is reduced to writing and signed by both Parties. Should any provision of this Agreement be declared to be invalid or unenforceable,



jurisdiction, the remaining provisions of this Agreement shall remain in full force and effect unless such invalid or unenforceable provisions substantially alter the benefits of the Agreement for either Party.

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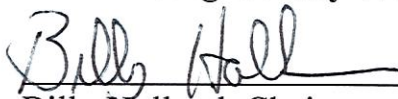
KENTUCKY PUBLIC SERVICE COMMISSION
Linda C. Bridwell Executive Director

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IN WITNESS WHEREOF, the Parties hereto, acting under authority of their respective governing bodies, have caused this Agreement to be duly executed in multiple counterparts, each of which shall constitute an original.

Seller:

Muhlenberg County Water District No. 3

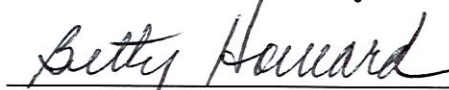

Billy Holland, Chairman

Attest:

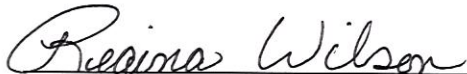

Secretary

Purchaser:

Sacramento, Kentucky


Betty Howard, Mayor

Attest:


City Clerk

