

WHEREAS the Muhlenberg County Water District is a duly organized water district in Muhlenberg County, Kentucky and,

WHEREAS the City of Drakesboro, Kentucky is a municipal corporation in the state of Kentucky and in Muhlenberg County and,

WHEREAS the City of Drakesboro is in dire need of an adequate supply of potable water because of an inadequate water supply and an antiquated distribution system and,

WHEREAS the Muhlenberg County Water District has an adequate supply of water for the needs of its patrons and an adequate supply of water for the needs of the patrons of the City of Drakesboro, Kentucky and has a distribution system which can be extended with very little cost to provide the City of Drakesboro, Kentucky with an adequate supply of potable water and,

WHEREAS the Commissioners for the Muhlenberg County Water District and the Board of Council for the City of Drakesboro, Kentucky adopted resolutions authorizing and directing the chairman of the Muhlenberg County Water District and the Mayor for the City of Drakesboro, Kentucky to enter into a contract, now in consideration of the foregoing this contract is made and entered into this 27 day of October, 1967 by and between the Muhlenberg County Water District hereinafter called District, party of the first part and the City of Drakesboro, Kentucky, a municipal corporation, hereinafter called City, party of the second part.

W I T N E S S E T H

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That the parties hereto in consideration of the promises and agreements of each other agree as follows:

[Signature]
PUBLIC SERVICE COMMISSION MANAGER

I

The term of this agreement and contract shall be forty (40) years, commencing as hereafter stated, unless sooner terminated under provisions subsequently set forth herein.

II

The District promises and agrees to furnish and provide the City with its entire supply of water subject to the provisions hereinafter set forth.

III

The City hereby promises and agrees to purchase from the District all of its water requirements and to pay the District for said water the following rates.

First	500,000 Gallons/Month =	\$0.40 Per Thousand Gallons
Next	500,000 Gallons/Month =	0.38 Per Thousand Gallons
Next	1,000,000 Gallons/Month =	0.36 Per Thousand Gallons
All Over	2,000,000 Gallons/Month =	0.34 Per Thousand Gallons

IV

During the term hereof the District shall:

1. Deliver to the City water mains at the master meter or meters and at sufficient pressure to elevate water to the height of the existing water tower of the City such potable water as the City and its customers may require subject however to the following conditions.

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PUBLIC SERVICE COMMISSION
- a. The District shall not be obligated to furnish water in volumes in excess of four and one half million (4,500,000) gallons per month nor in excess of two hundred thousand (200,000) gallons per day.
 - b. The City shall maintain its own adequate storage to provide for the consumption of water, current or future at the foregoing delivery rate.
 - c. The District shall not be liable for interruptions of services by break down or other unavoidable cause, and the City shall maintain its own system for service during any such interruption. Emergency failures of pressure or supply due to main supply line breaks, power failure, flood, fire and use of water to fight fire, earthquake, other catastrophe, or reasons beyond the district's control shall excuse the District from supplying the required amount of water for such reasonable period of time as may be necessary to restore service.

V

To determine water consumption and the amounts due, the District shall install and maintain a master meter which shall be freely inspected and examined both by the District and the City. The District shall each month render a statement to the City for water passing through the master meter during the preceeding calender month and the City shall pay said statement to the District within ten (10) days after the rendition thereof. In event the City defaults in any monthly payment the District shall have the right to terminate the supply of water; provided however that any failure on the part of the District to terminate the supply of water under this section shall not constitute a waiver of its right to terminate such delivery for any future defaults and it is further provided that upon payment of any defaulted bill the District shall resume the delivery of water to said City.

VI

Should the master meter at any time be found to be defective or out of order so that an accurate monthly statement cannot be submitted by the District, the District shall repair said meter and in event said meter is not repaired within thirty (30) days the City shall have the authority to make such repairs as will restore said meter to proper operation and the cost thereof shall be paid by the District; the monthly bill in lieu of meter readings shall be a sum equal to the amount paid or due for the preceeding month.

VII

The District 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 City with quantities of water required by said City, not to exceed the amounts previously set forth. Temporary or partial failures to deliver water shall be remedied with all possible dispatch. If there is an extended shortage of water, or the supply of water available to the District

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PURSUANT TO ORDER NO. 1011,
BY: *[Signature]*

is otherwise diminished over an extended period of time, the supply of water to the City's consumers shall be reduced or diminished in the same ratio or proportion as the supply to District consumers is reduced or diminished.

VIII

This contract is contingent upon the approval of same by the Farmers Home Administration of the United States Government.

IX

The parties hereto shall have the right at any time during the term hereof to petition the Public Service Commission of Kentucky or its successor and upon proof and a sufficient showing that it cannot financially and feasibly deliver water at the rates herein before provided secure an increase in said rate in such amount as the Public Service Commission of Kentucky should find proper and feasible, and it is further provided that in event the supply of water to the District increases in cost that the increase shall be passed on to the City of Drakesboro, as to such amounts of water as may be furnished said City at such increase in cost.

X

The term of this agreement as herein before set out is forty (40) years, however the City has the right to terminate the agreement any time during said term by giving unto the District six (6) months notice of its intention to terminate.

XI

The cost of water installation including all equipment necessary for said installation shall be paid by the City, provided however that in event this agreement remains in force and effect for fifteen (15) years or longer, the District shall reimburse the City for said costs provided however that such reimbursement shall be from the revenues of the District and shall be paid in such sums and over a period of such time as

will not jeopardize the payment for the retirement of its bonds and the interest and costs thereon.

XII

Any successor of the City and District, whether the result of legal process, assignment or otherwise, shall succeed to the rights of such City or District hereunder.

XIII

If any section, clause or provision of this contract shall be held invalid, such invalidity shall not effect the validity of any other section, clause or part of said contract.

IN TESTIMONY WHEREOF witness the hands of James B. Richardson, Chairman of the Muhlenberg County Water District and the hand of Leonard D. Pryor, Mayor of the City of Drakesboro, Kentucky for and in behalf of the Muhlenberg County Water District and the City of Drakesboro, Kentucky the date first set out herein.

MUHLENBERG COUNTY WATER DISTRICT

James B. Richardson
By: Chairman

ATTEST:

Jewell Easle
Secretary,
Muhlenberg County Water District

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

NOV 21 1967

CITY OF DRAKESBORO, KENTUCKY

Leonard D. Pryor
By: Mayor

RECEIVED NOV 21 1967
SECTION 2-11
PUBLIC SERVICE COMMISSION MANAGER

ATTEST:

Philip Cornette
Clerk,
City of Drakesboro, Kentucky

Examined and approved by the Farmers Home Administration
this ___ day of _____, 1967.

FARMERS HOME ADMINISTRATION

BY _____