

WATER PURCHASE CONTRACT

THIS CONTRACT, made and entered into this 1st day of MARCH, 1991, between the Beaver Elkhorn Water District, of Wayland, Kentucky, a water district organized under Chapter 74 of Kentucky Revised Statutes, hereinafter referred to as the "Seller" and the David Water District of David, Kentucky, a water district organized under Chapter 74 of the Kentucky Revised Statutes, party of the second part, hereinafter referred to as the "Purchaser".

W I T N E S S E T H :

WHEREAS, The Purchaser and the territory embraced by it are without and adequate water supply, and

WHEREAS, it appears to be in the best interests of all concerned that the Purchaser obtain an adequate water supply and water service for the foreseeable future so that it may sell and distribute water to consumers of the Purchaser, and

WHEREAS, the Seller has a water supply distribution system of sufficient capacity to provide for the current needs and requirements of existing customers of the Seller and further to serve the Purchaser all of the necessary water needed by the Purchaser in order to accomplish the foregoing, and

WHEREAS, the Seller is willing to sell to the Purchaser a supply of water which is substantially in excess of the water service obligations of the Seller to its own residents, and

WHEREAS, the governing bodies of the Purchaser and of the Seller have duly authorized the execution of this Contract.

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SECTION 9 (1)

BY: Glenn Keller
PUBLIC SERVICE COMMISSION MANAGER

CONTRACT

Now, therefore, in consideration of the premises mutual convenience and agreements herein contained, of the prompt payments of the rates as herein agreed to and set out, and the prompt delivery of the water supply as herein agreed to and set out, the parties hereto have agreed as follows:

1. Seller agrees to sell and deliver to the Purchaser and the Purchaser agrees to purchase and receive from the Seller, all water desired by the Purchaser for use within Purchaser's district, subject to such terms or conditions or limitations as may be set or proscribed by the Kentucky Public Service Comm.
2. This contract shall become effective upon the completion, within the territories of the Purchaser and the Seller, of the construction of the water works system described in Case No. 6616 before the Kentucky Public Service Commission to the extent sufficient to enable the Purchaser to begin serving water to its customers, and upon the issuance of order(s) from the Kentucky Public Service Commission setting or approving the wholesale rate to be charged the Purchaser by Seller pursuant to this contract and the individual customer rates to be charged by the Purchaser. This contract shall continue for a period of five (5) years and may be renewed or extended upon the written agreement of the parties.
3. This contract shall be subject to all applicable rules, regulations and orders of the Kentucky Public Service Commission.
4. The quality of water delivered by the seller to the Purchaser shall comply with the laws, rules, regulations and standards of the Commonwealth of Kentucky governing the purity of drinking water.
5. The Seller shall deliver water to the Purchaser at a reasonably constant pressure to be set or determined by the Kentucky Public Service Commission, at the point of mutual connection between the parties during the period of withdrawal, which connection point will be located approximately at the junction of Highways No. 404 and 850. Temporary or partial failure to deliver water shall be remedied in the manner provided by the rules, regulations and orders of the Kentucky Public Service Commission.

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BY: *George Deller*
PUBLIC SERVICE COMMISSION MANAGER

6. In the event of an extended shortage of water or if the supply of water available to the Seller is otherwise diminished for an extended period of time, the supply of water to Purchaser shall only be reduced or diminished in the same ratio or proportion as the supply of water is reduced or diminished to other customers of the Seller.
7. The Seller shall furnish, install, operate and maintain at its own expense at the aforesaid point of mutual connection the necessary metering equipment, of the compound type, for properly measuring the quantity of water delivered to the Purchaser. The said metering equipment shall be maintained and tested according to the applicable rules, regulations of the Kentucky Public Service Commission.
8. The metering equipment shall determine the monthly amount of water received by Purchaser under this contract for which Purchaser will be billed according to paragraph 10 of this contract. The metering equipment shall be read at least once a month by an officially designated employee of the Seller for the purpose of determining Purchaser's monthly bill. The metering equipment shall have a lid, panel door, or similar device which may be opened by agents of Purchaser to verify meter readings.
9. Purchaser shall pay for water supplied to it by Seller under this contract at such rate or rates as may be set or approved by the Kentucky Public Service Commission from time to time.
10. Purchaser will be billed monthly for the water supplied to it in the following manner: Seller will send out a bill to Purchaser before the end of the month preceeding the month in which payment on the bill is due. Such bill shall indicate the amount due, the number of gallons purchased, the meter reading on which the bill is based and the date of such reading. Purchaser shall pay such bill by the 10th day of the month in which it is due. If the Purchaser fails to pay part or all of a bill due by ~~the~~ 10th day of the month, Seller may charge an additional fee not to exceed 10% of the amount unpaid. When a bill of the Seller to the Purchaser becomes delinquent, Seller may discontinue supplying water to Purchaser, until such delinquency is paid, in the manner provided by the rules, regulations and orders of Kentucky Public Servic Commission.
11. Seller will provide Purchaser with at least ten (10) days advance written notice of the date of initial delivery of water to Purchaser.

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BY: Clara Miller
PUBLIC SERVICE COMMISSION MANAGER

- 12. Purchaser and Seller further agree that they will submit to the Kentucky Public Service Commission the question of which of the two parties is entitled to the tap-on fees currently being collected by Seller from consumers who reside within Purchaser's district, and to abide by that determination, unless the parties can arrive at a voluntary resolution of this matter prior to that time; in the interim Purchaser has no objection to Seller collecting such fees.
- 13. Nothing contained in this contract is to be considered or intended by the parties as divesting the Public Service Commission of Kentucky of any of its authority, jurisdiction, control or prerogatives in connection with either of the parties.
- 14. This contract shall in no event be transferred or assigned by either party, without the written consent of the other, or unless required by law, and in such event, this contract shall inure to and be binding on both parties, their successors, or assigns.
- 15. If any section, paragraph, or clause of this contract be held invalid, the invalidity of such section, paragraph, or clause shall not affect any of the remaining provisions of this contract.

In testimony whereof, witness the signatures of Seller, the Beaver Elkhorn Water District, the Purchaser, the David Water District, who have caused this instrument to be executed by their respective proper and duly authorized officers in two (2) counterparts, each of which shall constitute an original.

ATTEST:

Irene W. Cloney

SELLER

The Beaver Elkhorn Water District, Wayland, Ky. 41666

By: *Thomas Z. Hall*

Date: *3/15/91*

ATTEST:

Harold Case

PURCHASER

The David Water District, David, Ky. 41616

By: *Jackie Howard*

Date: *3-1-91*

Sworn and Subscribed before me this *15th* day of *MARCH* 19 *91*

Muriel A. Hackworth

Notary Public

My Commission Expires *03-26-95*

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PURSUANT TO 807 KAR 5.011 SECTION 9 (1)

BY: *Sharon Miller*
PUBLIC SERVICE COMMISSION MANAGER