

CONTRACT FOR PURCHASE OF TREATED WATER

.....

THIS CONTRACT made and entered into this 21 day of July, 1969, by and between the PLEASANT HILL WATER DISTRICT, (hereinafter sometimes referred to as "WATER DISTRICT"), a non-profit corporation duly organized and existing pursuant to the provisions of Chapter 74 of the Kentucky Revised Statutes, acting by and through its duly authorized officers, and KENTUCKY WATER SERVICE COMPANY, INC., (hereinafter sometimes referred to as "WATER COMPANY"), a Kentucky corporation, acting pursuant to authority and direction heretofore granted by its Board of Directors as its duly authorized and empowered governing body;

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

SEP 22 1994

WITNESSETH:

PURSUANT TO 807 KAR 5.011,
SECTION 2(1)

THAT WHEREAS, KENTUCKY WATER SERVICE COMPANY, INC., is a Kentucky corporation engaged in the acquisition, treatment, distribution, and sale of pure and potable water, and is presently serving the City of Somerset, Kentucky, including a portion of the area encompassed by the geographic boundaries of the PLEASANT HILL WATER DISTRICT, hereinafter made more definite, and said Water Company has adequate facilities and water capacity in and about the area of Somerset, Kentucky, to sell treated water on a substantial basis to said District; and

WHEREAS said Water District has obtained a grant in the amount of \$61,300.00 from Farmers Home Administration, a facility of the U. S. Department of Agriculture, to be supplemented by the proceeds from a loan of \$103,000 to be evidenced by Promissory Note, secured by Mortgage on plant facilities and pledge of certain revenues to the Farmers Home Administration payable over a period of forty (40) years from the date of said loan; and additional funds for the construction of said water district having been obtained by contributions from the prospective users in the amount of \$17,700.00; and

WHEREAS, it is necessary prior to the execution of the aforesaid Promissory Note and Mortgage in the sum of \$103,000.00 to the Farmers Home Administration that the Water District enter into a contract with said Water Company whereby said Water Company will agree to furnish adequate water to said Water District for a period of not less than forty (40) years, and it is therefore appropriate that this Contract now be consummated,

NOW THEREFORE, FOR AND IN CONSIDERATION OF THE PREMISES AND THE MUTUAL COVENANTS AND UNDERTAKINGS HEREIN DESCRIBED, THE PARTIES HERETO COVENANT AND AGREE, EACH WITH THE OTHER, AS FOLLOWS:

Section 1. Kentucky Water Service Company, Inc., hereby covenants and agrees to sell to the Pleasant Hill Water District a volume of pure treated water which shall not exceed Two Hundred Sixteen Thousand (216,000) Gallons per day (being a pumpage of 150 gallons per minute for a 24-hour period), the price of said water to be in accordance with the following schedule:

Number of Gallons of Water (or Less) Per Month			Monthly Charge Per 1,000 Gallons or Less Per Month
First	1,000	PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE SEP 22 1994 PURSUANT TO 807 KAR 5:011, SECTION 9(1) BY: <i>[Signature]</i> FOR THE PUBLIC SERVICE COMMISSION	\$2.50 (minimum)
Next	1,000		.95
Next	4,000		.90
Next	19,000		.80
Next	25,000		.75
Next	25,000		.65
Next	25,000		.55
Next	100,000		.40
All over	200,000		.35

Service will be supplied under Company's General Rules and Regulations, and subject to rates and the Rules and Regulations of the Public Service Commission of the State of Kentucky.

.....

It is hereby acknowledged by the PLEASANT HILL WATER DISTRICT that 216,000 gallons of pure and treated water per day is adequate for the present and foreseeable needs of the Water District. The foregoing schedule of rates for

treated water furnished by Kentucky Water Service Company, Inc., is stated by the Water Company to be its approved, commercial schedule for treated water.

Section 2. The Water District hereby covenants and agrees to cause to be constructed an adequate reception and pumping facility to receive said purchased water from Water Company. Said pumping and reception facility shall have a minimum capability of pumping treated water at the rate of one hundred and fifty (150) gallons per minute and shall be constructed in full compliance with regulations, standards, and requirements of the Kentucky State Department of Health and any other public agencies having regulatory jurisdiction thereof. Said pumping and reception facility shall be constructed at the location noted on that certain site plan prepared by the Water District's Consulting Engineers, which is appended hereto as Exhibit "A," and said location is hereby expressly approved and consented to by Water Company.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

SEP 22 1994

Section 3. This Contract shall remain in full force and effect for a term of forty (40) years from and after July 15, 1969, said expiration date being July 14, 2009. It is acknowledged by the parties hereto that July 14, 2009, will be the latest possible date of the final maturity of the Promissory Note to be executed by the Water District to the Farmers Home Administration; except that, if by reason of a delay in executing the said Promissory Note and Mortgage, the date of the same is later, this agreement shall automatically be amended to conform to the date of the proposed Promissory Note and Mortgage to the Farmers Home Administration. It is further provided that in the event any court of competent jurisdiction shall ever hold the duration of this Contract is illegal by reason of being in excess of twenty (20) years or any other period, then it is agreed by the parties that this Contract shall be effective for a period of twenty (20) years or for such shorter period as shall be determined to be valid by a final decision of such court, provided, however, this clause is not to be construed as indicating any doubt as to the validity or effectiveness of said forty (40) years provision or of any other provision of this Contract. Upon termination of the term of this Contract, it may thereafter be renewed or extended for such term or terms as may be agreed upon between the Kentucky Water Service

PURSUANT TO 207 KAR 5.011,
SECTION 9(1)
BY: _____
FOR THE _____

Company, Inc., and the Pleasant Hill Water District.

Section 4. The effectiveness of this Contract is subject to the award by the Water District of contracts for the construction of its waterworks distribution system after approval by the Public Service Commission of Kentucky and the effectiveness of this Contract is also subject to the approval of said Public Service Commission. The Water District agrees that it will receive construction bids and make award of said bids at the earliest feasible date.

Section 5. The quality of water delivered by the Water Company to the Water District hereunder shall meet the standards of the United States Public Health Service's Limitations for Drinking Water.

Section 6. In the event that the water needs of said Water District should exceed two hundred sixteen thousand (216,000) gallons per day, the Water Company will endeavor to provide adequate service to the Water District to the extent necessary, but cannot unqualifiedly covenant to do so. As noted aforesaid, it is acknowledged that 216,000 gallons of water per day is at this time in excess of present and foreseeable water needs of the Water District. Sums due and payable from the Water District to the Water Company for purchase of treated water on the basis aforesaid, shall be due and payable at the same time and in the same manner as other commercial accounts of the Kentucky Water Service Company, Inc., in the Somerset, Kentucky, area.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

Section 7. It is a further condition of this Contract that the PLEASANT HILL WATER DISTRICT shall not serve any customers with water who reside within the present geographic boundaries of the City of Somerset, Kentucky.

SEP 22 1994

PURSUANT TO 807 KAR 5.011,

BY: *[Signature]*

509 T. Kentucky.

Section 8. This Contract shall inure to the benefit of, and shall be binding upon the parties hereto, and their successors in interest, grantees, assignees, and transferees.

Section 9. The terms of this Contract are subject to the rights of the holders of any Notes and Mortgages encumbering the water works system of the Water District.

Section 10. Nothing contained in this Contract is to be construed or intended by the parties as divesting the Public Service Commission of Kentucky of any of its authority, control, or prerogatives in connection with either of the parties.

Section 11. It is agreed that the Water Company will furnish the master meter at the point of delivery of water to the Water District at the connection point approximately four hundred (400) feet northwest of U. S. Highway 27 on the Clifty Road, KY. 1647, and that the Water Company shall furnish, install, own, and maintain said meter.

Section 12. 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 Water Company is otherwise diminished over an extended period of time, the supply of water to the Water District's customers shall be reduced or diminished in the same ratio or proportion as the supply to the Water Company's customers is reduced or diminished, except as otherwise provided by the Rules and Regulations of the Public Service Commission of Kentucky, or the statutes now or which might later be in effect in Kentucky.

Section 13. If any section, paragraph, or clause of this Contract shall be invalid, the invalidity of such section, paragraph, or clause shall not affect any of the remaining provisions of this Contract.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

SEP 22 1994

IN TESTIMONY WHEREOF, the parties have hereunto set their hands and seals as of the day and year first above written.

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)
BY: [Signature]
FOR THE PUBLIC SERVICE COMMISSION

PLEASANT HILL WATER DISTRICT

BY: [Signature]
L. Glenn Neikirk, Chairman

ATTEST:

[Signature]
Frank Gholson, Secretary

KENTUCKY WATER SERVICE COMPANY, INC.

ATTEST:

[Signature]
Ben D. Smith, Secretary

BY: [Signature]
M. E. Graybeal, Vice President

STATE OF KENTUCKY

COUNTY OF PULASKI

I, the undersigned Notary Public in and for the State and County aforesaidk do hereby certify that on this day the foregoing CONTRACT FOR PURCHASE OF TREATED WATER was produced before me in my said County and State by L. GLENN NEIKIRK, Chairman of the Pleasant Hill Water District, and FRANK GHOLSON as Secretary of the Pleasant Hill Water District, duly organized and existing under and by virtue of the provision of Chapter 74 of the Kentucky Revised Statutes, a party thereto, being both personally known to me and known personally by me to be such officers, and to be the same persons who executed as such officers, respectively, the within and foregoing instrument of writing, and such persons duly acknowledged the execution of the same to be their voluntary act and deed as such officers of the said PLEASANT HILL WATER DISTRICT and the official act and deed of said PLEASANT HILL WATER DISTRICT and through them as its duly authorized officers.

WITNESS my hand and Notarial Seal this 21 day of July, 1969.

My Commission expires: My Commission Expires May 18, 1973.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

Marie C. Leese
Notary Public

SEP 22 1994

STATE OF KENTUCKY PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)

COUNTY OF PULASKI BY: [Signature]
FOR THE PURCHASE OF

I, the undersigned Notary Public in and for the State and County aforesaid, do hereby certify that on this day the foregoing CONTRACT FOR PURCHASE OF TREATED WATER was produced before me in my said County and State by M. E. GRAYBEAL as Vice President, and BEN D. SMITH, as Secretary of KENTUCKY WATER SERVICE COMPANY, INC., a Kentucky corporation and a party thereto, being both personally known to me and known personally by me to be such officers, and to be the same persons who executed as such officers, respectively, the within and foregoing instrument

of writing, and such persons duly acknowledged the execution of the same to be their voluntary act and deed as such officers of said KENTUCKY WATER SERVICE COMPANY, INC., and the official act and deed of said KENTUCKY WATER SERVICE COMPANY, INC., by and through them as its duly authorized officers.

WITNESS my hand and Notarial Seal this 21 day of July,

1969.

My Commission expires: _____ ~~My Commission Expires May 13, 1973~~

Mari C. Leese
Notary Public

I hereby certify that this instrument
has been drafted in the law offices of
A. B. Blackburn, Somerset, Kentucky
by A. B. Blackburn

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

SEP 22 1994

PURSUANT TO 807 KAR 5.011,
SECTION 4(1)

BY: [Signature]
FOR THE PUBLIC

PLEASANT HILL WATER DISTRICT

MINUTES

A call meeting of the Pleasant Hill Water District Commissioners was held at Somerset, Kentucky on July 21, 1969 with the following commissioners present:

L. Glenn Neikirk
Frank Gholson
L. W. Garland

The purpose of the meeting was to approve and ratify the execution of the CONTRACT FOR PURCHASE OF TREATED WATER, between the Pleasant Hill Water District and Kentucky Water Service Company, Inc. Said contract dated July 21, 1969.

On motion of L. W. Garland, duly seconded and carried, that the contract entered into by L. Glenn Neikirk, Chairman of Pleasant Hill Water District and attested by Frank Gholson, Secretary is hereby approved and the execution of the same is hereby ratified, and upon motion of Mr. Garland, seconded by Mr. Gholson the following resolution was adopted, to wit:

RESOLVED: THAT WHEREAS, L. GLENN NEIKIRK, Chairman and FRANK GHOLSON, Secretary did execute for and in behalf of the Pleasant Hill Water District, a certain contract with KENTUCKY WATER SERVICE COMPANY, INC., entitled CONTRACT FOR PURCHASE OF TREATED WATER dated July 21, 1969, which was read to the Commissioners and discussed;


NOW THEREFORE, BE IT FURTHER RESOLVED:

That the Commissioners of the Pleasant Hill Water District, hereby approve and ratify the execution of the CONTRACT FOR PURCHASE OF TREATED WATER by L. Glenn Neikirk, Chairman of Pleasant Hill Water District and attested by Frank Gholson, Secretary, dated July 21, 1969.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE


ATTESTED:

SEP 22 1994



Frank Gholson, Secretary
PLEASANT HILL WATER DISTRICT

PURSUANT TO 807 KAR 5.011,
SECTION 2(1)

BY: 
FOR THE PUBLIC SERVICE COMMISSION

PLEASANT HILL WATER DISTRICT

Call Meeting, July 18, 1969

A call meeting of the Pleasant Hill Water District Commissioners was held in the office of the District at Somerset, Kentucky on Friday, July 18, 1969, members present were:

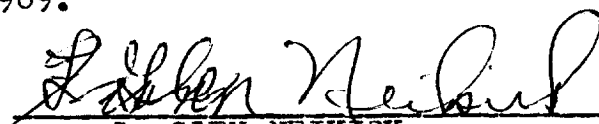


L. Glenn Neikirk
Frank Gholson
L.W. Garland

On Motion of L.W. Garland, duly seconded and carried, the Commissioners, L. Glen Neikirk, and Frank Gholson were authorized and directed to enter into a contract for the District, with the Kentucky Water Company. The contract having been studied, the acts of the said L. Glen Neikirk, and Frank Gholson in executing said contract are hereby ratified by the Commissioners.

There being no further business the meeting adjourned.

This is to certify that we, the Commissioners of the Pleasant Hill Water District, have read the foregoing resolution and the same is true and correct as adopted by the Commissioners as herein set forth.

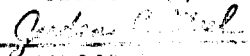
This 18th day of July, 1969.


L. GLEN NEIKIRK

FRANK GHOLSON

L.W. GARLAND
COMMISSIONERS PLEASANT HILL WATER DISTRICT.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

SEP 22 1994

PURSUANT TO 807 KAR 5011,
SECTION 2(1)

BY: 
FOR THE PUBLIC SERVICE COMMISSION

RESOLUTION

RESOLVED: THAT WHEREAS, L. GLENN NEIKIRK, Chairman, and FRANK GHOLSON, Secretary, did execute for and in behalf of the Pleasant Hill Water District, a certain contract with KENTUCKY WATER SERVICE COMPANY, INC., entitled CONTRACT FOR PURCHASE OF TREATED WATER dated July 21, 1969, which was read to the Commissioners and discussed;

NOW THEREFORE, BE IT FURTHER RESOLVED:

That the Commissioners of the Pleasant Hill Water District, hereby approve and ratify the execution of the CONTRACT FOR PURCHASE OF TREATED WATER by L. Glenn Neikirk, Chairman of Pleasant Hill Water District and attested by Frank Gholson, Secretary, dated July 21, 1969.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

SEP 22 1994

PURSUANT TO 807 KAR 5.011,
SECTION 3(1)

BY: *Frank Gholson*
FOR THE PUBLIC SERVICE COMMISSION

STATE OF KENTUCKY
COUNTY OF PULASKI

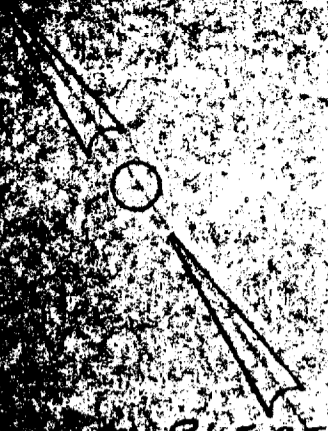
I, Frank Gholson, do certify that I am the duly elected and acting Secretary of the Pleasant Hill Water District and that the foregoing resolution is a true and correct copy of a resolution adopted by the Commissioners of the Pleasant Hill Water District in a special meeting assembled on July 21, 1969, that said resolution has not been altered or amended and said resolution remains in full force and effect upon the minutes of the District.

IN TESTIMONY WHEREOF, witness my hand this 21st. day of July, 1969.

Frank Gholson
Frank Gholson, Secretary
Pleasant Hill Water District

S 55° 46' E

STAKE



PLEASANT HILL WATER DISTRICT
MASTER METER VAULT
SITE

30.00
S-34°15'W

B. E. & E. CORP.

6" WATER
LINE

N-55° 46' W
30.00

Ky. R/W LINE
STAKE

BRON
SURVEY
STEEL
PIN

I CERTIFY THAT THIS SURVEY
IS CORRECT TO THE ACCURACY
REQUIRED

J. C. CRAWFORD, JR.
Ky. REG. LAND
SURVEYOR 634

SEAL

40' EIGHTH OF WAY

EDGE BLACKTOP

PLEASANT HILL WATER DISTRICT
PULASKI COUNTY, KENTUCKY
SITE LOCATION
FOR
MASTER METER VAULT

PLANNING & ENGINEERING
SURVEYING & LAND SURVEYORS
P. O. BOX 448
SPRINGFIELD, KENTUCKY

Ky. No. 1647 - CLIFTY RD.
TO SOMERSET

SCALE: 1"=5' DATE: MARCH '66

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

SEP 22 1994

PURSUANT TO 807 KAR 5011,
SECTION 2(1)

BY: *J. C. Crawford, Jr.*
FOR THE PUBLIC SERVICE COMMISSION

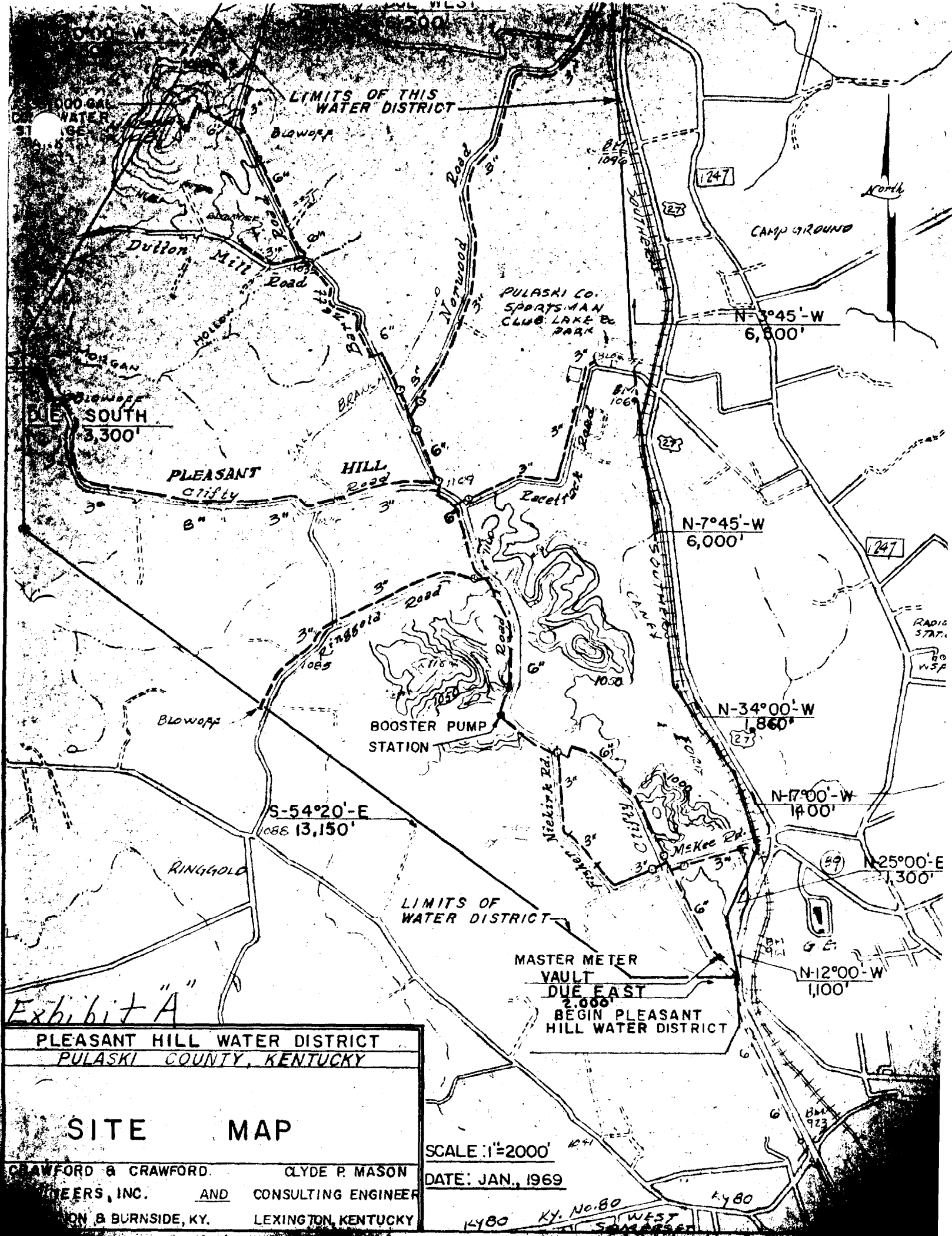


Exhibit "A"

PLEASANT HILL WATER DISTRICT
 PULASKI COUNTY, KENTUCKY

SITE MAP

CRAWFORD & CRAWFORD, ENGINEERS, INC. AND CLYDE P. MASON CONSULTING ENGINEER
 LEXINGTON, KY. LEXINGTON, KENTUCKY

SCALE: 1"=2000'
 DATE: JAN., 1969

KY. No. 80

PUBLIC SERVICE COMMISSION
 OF KENTUCKY
 EFFECTIVE

SEP 22 1994

PURSUANT TO 807 KAR 5.011,
 SECTION 9 (1)

BY: _____
 FOR THE PUBLIC SERVICE COMMISSION

named county and state, do hereby certify that the foregoing was this day produced to me and signed and acknowledged before me by County Judge Executive Darrell Beshears on behalf of Pulaski County, Kentucky, as his duly authorized act and deed in due form of law.

Given under my hand and Notarial Seal, this 10 day of April, 1992.

Glenn O. Shackelford
NOTARY PUBLIC, STATE-AT-LARGE

My Commission Expires:
10/21/95

COMMONWEALTH OF KENTUCKY
COUNTY OF PULASKI

I, the undersigned Notary Public within and for the above-named county and state, do hereby certify that the foregoing was this day produced to me and signed and acknowledged before me by L. Glen Neikirk, Chairman Pleasant Hill Water District, as his duly authorized act and deed in due form of law.

Given under my hand and Notarial Seal, this the 14 day of April, 1992.

Glenn O. Shackelford
NOTARY PUBLIC, STATE-AT-LARGE

My Commission Expires:
10/21/95

THIS INSTRUMENT PREPARED BY:
LAW OFFICE OF
GLENN O. SHACKELFORD
POST OFFICE BOX 1263
SOMERSET, KENTUCKY 42502
(606) 678-8700

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

SEP 22 1994

PURSUANT TO 807 KAR 5011,
SECTION 9(1)

Glenn O. Shackelford
GLENN O. SHACKELFORD
ATTORNEY AT LAW

BY: Glenn O. Shackelford
FOR THE PUBLIC SERVICE COMMISSION

DEED OF EASEMENT

* * * * *

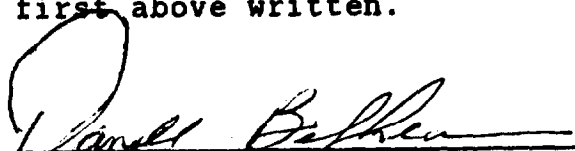
THIS DEED OF EASEMENT, made and entered into this 10 day of April, 1992, by and between PULASKI COUNTY, KENTUCKY, acting by and through its duly authorized representative, County Judge Executive, Darrell Beshears, party of the first part, and the Pleasant Hill Water District, party of the second part, of 402 McKee Circle, Somerset, Kentucky 42501,

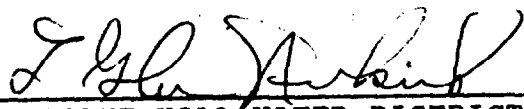
WITNESSETH: That for and in consideration of the mutual benefits to be derived hereunder, including the provision of water to certain residents within Pulaski County, Kentucky by the second party, the party of the first part does hereby grant unto the party of the second part a perpetual easement on and use of the Pulaski County road rights-of-way throughout Pulaski County south of the Cumberland River for the construction and maintenance of water lines for what is known as the Pleasant Hill Water District water project.

The party of the second part agrees as a condition hereof to restore any disturbed portions of the rights-of-way to as good or better condition as before any disturbance due to construction or maintenance of lines hereunder. The party of the second part further agrees as a condition hereof to be responsible for the cost of relocating any water lines on the first party's rights-of-way in the event relocation is necessitated due to construction, reconstruction, or widening of the rights-of-way by the first party.

It is further agreed and understood by the parties hereto that the party of the second part shall be responsible for all maintenance of the water lines referred to herein.

IN TESTIMONY WHEREOF, witness the signatures of the parties hereto, this the day and year first above written.


PULASKI COUNTY, KENTUCKY by and through County Judge-Executive Darrell Beshears


PLEASANT HILL WATER DISTRICT by L. Glen Neikirk, Chairman

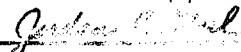
COMMONWEALTH OF KENTUCKY
COUNTY OF PULASKI

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

SEP 22 1994

PURSUANT TO 807 KAR 5.011,
SECTION 3(1)

Item #51

BY: 
FOR THE PUBLIC SERVICE COMMISSION