

WATER PURCHASE CONTRACT

FILE COPY

This contract for the sale and purchase of water is entered into as of the 25 th day of May,
19 93, between the CITY UTILITIES COMMISSION of Corbin, Kentucky,
901 South Main Street, Corbin, KY 40701
(Address)

CITY UTILITIES COMM.
RESOLUTION
JUL 7 1993
REGISTRAR

hereinafter referred to as the "Seller" and the WHITLEY COUNTY WATER DISTRICT
111 Main Street, Williamsburg, KY 40769
(Address)

hereinafter referred to as the "Purchaser",

WITNESSETH:

Whereas, the Purchaser is organized and established under the provisions of KRS 74 of the
Code of Kentucky, for the purpose of constructing and operating a water supply distribution
system serving water users within the area described in plans now on file in the office of the Purchaser and to accomplish
this purpose, the Purchaser will require a supply of treated water, and

Whereas, the Seller owns and operates a water supply distribution system with a capacity currently capable of serving the
present customers of the Seller's system and the estimated number of water users to be served by the said Purchaser as shown
in the plans of the system now on file in the office of the Purchaser, and

Whereas, by Resolution No. _____ enacted on the 25 th day
of May, 19 93, by the Seller, the sale of water to the Purchaser in accordance
with the provisions of the said Resolution was approved, and the execution of this contract
carrying out the said Resolution by the Chairman of the
and attested by the Secretary, was duly authorized, and CUC of Corbin, Kentucky

Whereas, by Resolution of the Whitley County Water District
of the Purchaser, enacted on the 25 th day of May, 19 93,
the purchase of water from the Seller in accordance with the terms set forth in the said contract
was approved, and the execution of this contract by the Chairman, and
attested by the Secretary was duly authorized;

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

A. The Seller Agrees:

1. (Quality and Quantity) To furnish the Purchaser at the point of delivery hereinafter specified, during the term of
this contract or any renewal or extension thereof, potable treated water meeting applicable purity standards of the
Kentucky Natural Resources and Environmental Protection Cabinet as set forth in
KRS Chapters D3 and 224 and Chapter 8, as of the date of this contract.

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in such quantity as may be required by the Purchaser not to exceed 3,000,000 gallons per month.

SEP 02 1994

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

PURSUANT TO 807 KAR 5011,
SECTION 0(1)

BY: Jordan
FOR THE PUBLIC SERVICE COMMISSION

JUN 11 1993

2. (Point of Delivery and Pressure) That water will be furnished at a reasonably constant pressure calculated at 30 psi (min) / at existing line from an existing six (6) inch main supply at a point located on Highway 26 near Corbin, Kentucky

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 line breaks, 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.

Purchaser shall
* 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 Seller

shall be corrected for the six (6) 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 Monthly. An appropriate official of the Purchaser at all reasonable times shall have access to the meter for the purpose of verifying its readings.

and/or Seller

4. (Billing Procedure) To furnish the Purchaser at the above address not later than the 10th day of each month, with an itemized statement of the amount of water furnished the Purchaser during the preceding monthly billing period

B. The Purchaser Agrees:

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

a. \$ 1.40 for the first 1,000 gallons, ~~with a minimum water rate of \$50.00~~ plus \$50.00 monthly service charge. Minimum monthly bill is charge for 1,000,000 gal. of water plus \$50.00 service charge or \$1,450.00.

b. \$ 1.40 cents per 1000 gallons for water in excess of 1,000 gallons.

A 10% penalty will be added if the bill is not paid on or before the 15th of the month in which same is due and water service will be discontinued to all delinquent accounts in accordance with the applicable City of Corbin Water/Service/Rate Ordinance.

* The purchaser shall furnish, install, operate and maintain all equipment outlined in item #3 above in accordance with CUC's standard requirements, plus provide annual testing and recalibration as necessary of the metering equipment. In addition thereto, the purchaser shall install and maintain a proper backflow prevention device that will meet or exceed the requirements of the KY Division of Water, KNREPC.

2. (Connection Fee). Not Applicable. However, the Purchaser shall furnish and install new metering station within 120 days from the date of this contract. The Purchaser shall furnish and install a new metering station in accordance with CUC's "Typical Combined Fire & Domestic Water Meter & Pit Detail with By-Pass Line Inside Pit" dated 1981. A copy of same is attached hereto and made a part of this Contract. Meter pit shall be installed above flood level. The backflow prevention device shall be installed down line from the water meter station.

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PURSUANT TO 807 KAR 8.011,
SECTION 9(1)

BY: Jordan C. Neal
FOR THE PUBLIC SERVICE COMMISSION

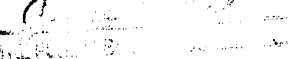
C. It is further mutually agreed between the Seller and the Purchaser as follows:

1. (Term of Contract) That this contract shall extend for a term of 45 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 30 days prior to the estimated date of completion of construction of the Purchaser's water supply distribution system, the Purchaser will notify the Seller in writing the date for the initial delivery of water.
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 \$ 1.40 per 1,000 ^{gallons} /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 one year period. In the event the City increases water rates to its customers, the rates which apply to this contract may be increased. The increase shall not exceed that percentage increase charged all other such customers of the CUC, within the WWS-1 Wholesale Service Classification. Other provisions of this contract may be modified or altered by mutual agreement.
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 occurrence 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. (Pledge) This contract is hereby pledged to the United States of America, acting through the Farmers Home Administration, as part of the security for the loan or loans from the United States of America.

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PURSUANT TO 807 KAR 5011,
SECTION 2(1)

BY: 
KENTUCKY PUBLIC SERVICE COMMISSION

In witness whereof, the parties hereto, acting under authority of their respective governing bodies, have caused this contract to be duly executed in 8 counterparts, each of which shall constitute an original.

Seller: CITY UTILITIES COMMISSION
Corbin, Kentucky

[Signature]
By _____

By JOHN L. DANIEL

Title CHAIRMAN

Attest:

Kenneth W. Cobb
Secretary

Purchaser: WHITLEY COUNTY WATER DISTRICT

[Signature]
By _____

Title General Manager

Attest:

Secretary

This contract is approved on behalf of the Farmers Home Administration this 17th day of JUNE, 19 93.

[Signature]
By _____
TITLE COMMUNITY AND BUSINESS PROGRAMS SPECIALIST

PUBLIC SERVICE COMMISSION
OF KENTUCKY
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PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

BY: *[Signature]*
FOR THE PUBLIC SERVICE COMMISSION

RESOLUTION NO. 406

A RESOLUTION OF THE CITY UTILITIES COMMISSION OF THE CITY OF CORBIN, KENTUCKY, AUTHORIZING AND DIRECTING JOHN L. DANIEL, CHAIRMAN, TO SIGN AN AGREEMENT DATED MAY 25, 1993, BETWEEN THE CITY UTILITIES COMMISSION OF THE CITY OF CORBIN, KY, AND THE WHITLEY COUNTY WATER DISTRICT OF 111 MAIN STREET, WILLIAMSBURG, KY, RELATIVE TO A WATER PURCHASE CONTRACT AND OTHER RELATED MATTERS.

WHEREAS, the City Utilities Commission of the City of Corbin, Kentucky, is in the business of providing a potable water supply to users in Whitley, Knox and Laurel Counties, Kentucky; and

WHEREAS, the City Utilities Commission is desirous of negotiating an agreement with the Whitley County Water District relative to purchasing water and other related matters; and


WHEREAS, an agreement dated May 25, 1993, between the City Utilities Commission and the Whitley County Water District has been negotiated subject to the approval of the respective governing boards; and

WHEREAS, such an agreement will be in the best interest of both the City Utilities Commission of the City of Corbin, KY, and the Whitley County Water District of Williamsburg, KY;

NOW THEREFORE, BE IT RESOLVED:

1. That John L. Daniel, Chairman, is hereby authorized and directed to sign an agreement dated May 25, 1993, between the City Utilities Commission of the City of Corbin, KY, and the Whitley County Water District of Williamsburg, KY. A copy of same is attached hereto and made a part hereof as if copied at length in full.

THIS RESOLUTION READ AND ADOPTED THIS 25th DAY OF MAY, 1993.



JOHN L. DANIEL, CHAIRMAN

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PUBLIC SERVICE COMMISSION
OF KENTUCKY
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PURSUANT TO 807 KAR 5.011,
SECTION 9(1)

BY: 
FOR THE PUBLIC SERVICE COMMISSION