

WATER PURCHASE AGREEMENT

This contract for the sale and purchase of water is entered into as of the 21st day of Feb., 2003 between the Campbellsville Municipal Water and Sewer System, of Campbellsville, Kentucky, hereinafter referred to as the "SELLER" and the Larue County Water District #1, hereinafter referred to as the "Purchaser".

WITNESSETH:

Whereas, the PURCHASER is organized and established under the provisions of Chapter 74 of the Kentucky Revised Statutes, 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 SELLERS 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, the SELLER, Campbellsville Municipal Water and Sewer System, approved this water purchase Contract on 2/26/03, by the Board of Commissioners, and authorized the Chairman and the Secretary, to execute the same contract ;and

Whereas, by Resolution of the Commission of the PURCHASER, duly enacted on the 13th day of January, 2003, the purchase of water from the SELLER in accordance with the terms set forth in the said Resolution 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:

X 1. (Quality and Quantity) To furnish the PURCHASER at the point of delivery hereinafter specified, during the term this contract or any renewal or extension thereof, potable treated water meeting applicable purity standards of the Commonwealth of Kentucky in such quantity as may be required by the PURCHASER not to exceed 10 million gallons per month during periods of regular usage, if applicable. The PURCHASER shall pay a minimum bill of \$30.00 per month and include 0 gallons. The minimum bill is based on the size and number of meters.

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2. **(Point of Delivery and Pressure)** That water will be furnished at reasonably consistent pressure through an existing 6" main supply at a point located on Maple Road, Campbellsville, Kentucky. If a greater pressure than that normally available at the point of delivery is required by the PURCHASER, the cost of providing such great pressure shall be born by the PURCHASER. Any emergency or catastrophe so deemed by the SELLER shall excuse the SELLER from this provision for such reasonable period of time as may be necessary to restore service.

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 shall be corrected for the three (3) 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 the SELLER and PURCHASER shall agree upon a different amount. The metering equipment shall be read prior to the twenty fifth (25) day of each month. An appropriate official of the PURCHASER shall have access at all reasonable times to the meter for the purpose of verifying its readings. If additional metering points are requested by the PURCHASER then that cost of installing the master meter and equipment will be born by the PURCHASER. The SELLER will operate and maintain at its own expense each additional metering points thereafter.

4. **(Backflow and Cross Connection)**

That the PURCHASER will install at its own expense an approved backflow assembly. Backflow devices must be tested annually and a copy of the test results submitted to Campbellsville Municipal Water and Sewer System. However, if the PURCHASER has a cross connection program and is enforcing the said program, then the PURCHASER can furnish a copy of the cross connection program to

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the Campbellsville Municipal Water and Sewer System in lieu of installing backflow devices.

5. (Billing Procedure) To furnish the PURCHASER at the above address not later than the 2nd day of each month, with an itemized statement of the amount of water furnished the PURCHASER during the proceeding month.

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. \$1.56 for the first thousand (1,000) gallons.
- b. \$1.56 per thousand (1,000) gallons for water in excess of one thousand (1,000) gallons.

C. IT IS FURTHER MUTUALLY AGREED BETWEEN THE SELLER AND PURCHASER AS FOLLOWS:

1. (Terms of Contract) That this contract shall extend for a term of (50) 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. (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. It is understood and agreed that the SELLER may hereinafter modify its rate schedule by increasing or decreasing the rates charged to its customers, including the PURCHASER. Such rate modification shall be reasonably related to any demonstrated changes in the SELLER'S cost of operation of its business, and any rate change shall be made with the approval of the governing legislative body of the City of Campbellsville. Any increase in cost of operation may include increases in capitalization of the SELLER'S

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system if such increased capitalization is necessary to permit the SELLER to carry out its service obligations within its service area.

3. (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 the PURCHASER will collaborate in obtaining such permits, certificates, or the like, as may be required to comply therewith.

4. (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 hereunto.

D. Rates for wholesale meters for Water Districts under Contract:

2"	\$18.00
4"	\$30.00
6"	\$42.00
8"	\$62.00
10"	\$85.00

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

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SELLER:
Campbellsville Municipal Water
and Sewer System

BY: Brett Pifer
Title: Operations Manager

Attest:
Paula Road Newton
Secretary

PURCHASER:

Larue County Water District #1

BY: John Maurice DeLoe
Title: Chairman

Attest:
Kenneth DeLoe
Secretary

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