



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 42 years from the date ~~of delivery of any water as shown by the XXXXX MK submitted by the Seller to the Purchaser and~~ <sup>hereof</sup> ~~thereafter~~ <sup>of the</sup> ~~may be renewed or~~ <sup>said contract</sup> extended for such term, or terms, as may be agreed upon by the Seller and Purchaser.

2. (Delivery of Water) That n/a 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 \$ n/a 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, ~~and the end of every XXXXX year period~~ Any increase or decrease in rates shall be based on a demonstrable increase or decrease in the costs of performance ~~under the~~ <sup>such</sup> ~~costs shall not include increased capitalization of the Seller's system~~ Other provisions of this contract may be modified or altered by mutual agreement. If based on a demonstrable increase in the cost of performance, ~~seller may increase the above-stated rates by the same percent that it increases the~~ \*

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. It is agreed that all of the Purchasers rights and equities under this contract may be and the same are hereby pledged to the USDA, FmHA, as security for a loan FmHA proposes to make the Purchaser to finance the construction or extensions of a water system.

10. It is further agreed by and between the parties hereto that the City reserves the right to purchase any and all facilities, including service connections, and the right to provide water service to any and all customers of the District, which facilities and customers are located within a radius of two miles measuring north-eastwardly generally along Highway 159 and five miles southward, measuring generally along Highway 27, all such measurements to be taken from the present limits of the City of Falmouth; provided however, such rights shall not be exercised until such time as the City has legally annexed the foregoing described area, or either of such two segments, into the city proper.

\* water rates applicable to users in the City of Falmouth.

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
JUL 08 2000  
PURSUANT TO 807 KAR 5:011,  
SECTION 9 (1)  
BY: Stephan O. Bell  
SECRETARY OF THE COMMISSION

2. (Point of Delivery and Pressure) That water will be furnished at a reasonably constant pressure calculated a minimum of

at 90 lbs. p. s. i. from an existing twelve inch main supply at a point located \_\_\_\_\_ at the intersection of Shelby Street and Licking Street in the City of Falmouth.

90 lbs. p. s. i.

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.

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 two 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 the 14th day of each month An appropriate official of the Purchaser at all reasonable times shall have access to the meter for the purpose of verifying its readings.

4. (Billing Procedure) To furnish the Purchaser at the above address not later than the 30th day of each month, with an itemized statement of the amount of water furnished the Purchaser during the preceding 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. \$ \_\_\_\_\_ for the first \_\_\_\_\_ gallons, which amount shall also be the minimum rate per month.
- b. \$ \_\_\_\_\_ cents per 1000 gallons for water in excess of \_\_\_\_\_ gallons but less than \_\_\_\_\_ gallons.
- c. \$ \_\_\_\_\_ cents per 1000 gallons for water in excess of \_\_\_\_\_ gallons.

See attached rate schedule.

PUBLIC SERVICE COMMISSION  
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SECTION 9 (1)  
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/Connection fee not applicable due to present connection.

2. (Connection Fee) To pay as an agreed cost, a connection fee to connect the Seller's system with the system of the Purchaser, the sum of \_\_\_\_\_ dollars which shall cover any and all costs of the Seller for installation of the metering equipment and \_\_\_\_\_

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

Seller:

CITY OF FALMOUTH

By [Signature]

Title Mayor

Attest:

[Signature: Jerry England]  
Secretary

Purchaser:

EAST PENDLETON WATER DISTRICT

By [Signature: Paul E. Hall]

Title Chairman

Attest:

[Signature: Leslie Herbst]  
Secretary

28<sup>th</sup> July

This contract is approved on behalf of the Farmers Home Administration this \_\_\_\_\_ day of \_\_\_\_\_, 19 88.

By [Signature: James B. Little]

Title Community & Business Programs Specialist

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

JUL 08 2000

PURSUANT TO 207 KAR 5.011  
SECTION 9 (1)

BY [Signature: Stephen D. Best]  
SECRETARY OF THE COMMISSION