

6

WHOLESALE WATER CONTRACT.

THIS CONTRACT, this day made and entered into, by and between the CITY OF NICHOLASVILLE, a Kentucky Municipal Corporation of the Fourth Class in Jessamine County, Kentucky, hereinafter referred to as the "City"; and JESSAMINE COUNTY WATER DISTRICT NO. 1, of Jessamine County, Kentucky, acting by and through its Board of Commissioners, hereinafter referred to as the "District";

WITNESSETH THAT:

WHEREAS, the District wishes to purchase and the City is willing to sell water to the District through a master meter, for the purpose of distribution and resale by the District to its members and consumers within its territory; and for and in consideration of the promises and agreements hereinafter set forth, the parties hereto DO HEREBY AGREE AND BIND themselves, their successors and assigns, as follows:

1. The City agrees to furnish and sell water to the District through a master meter or meters of adequate size, capacity and type selected by the District but subject to approval by the City. Such meter shall be furnished and installed at the expense of the District; however, the operation and maintenance of such said meter shall be under the supervision and control of the City.
2. All water sold by the City and purchased by the District shall be measured through such meter or meters. The meter shall be installed at or reasonably near U. S. Highway No. 27 and reasonably near the present Northern corporate limits of the City of Nicholasville on a site location to be selected, acquired and owned or leased by the District. Any water main required to be installed between the Northern corporate limits of the City of Nicholasville at U. S. Highway No. 27 and the meter site shall, at the option of the City, be installed at the expense of the District. In the event that a dispute should arise in the future concerning the accuracy and dependability of the master meter, the District shall be entitled to have the meter checked and examined, the costs of such checking and examining shall be borne by

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

SEP 22 1994

PURSUANT TO 807 KAR 5011,  
SECTION 9 (1)

BY: *[Signature]*  
FOR THE DISTRICT

the City in the event that said meter is determined by such examination to reflect excessive amounts in measurement of water; however, if such check and examination reveal that such meter is registering accurately or that it shows a volume less than actual flow through the meter, the costs of examining and checking such meter shall be borne by the District.

3. The obligation of the City to supply water, as herein agreed, is limited to the understanding that the City shall be required to use reasonable care and diligence in the operation and maintenance of its existing system and to prevent and avoid unreasonable interruptions and fluctuations in the supply of water to the site of the master meter; the City does not and can not guarantee that such interruptions and fluctuations will not occur, as a result of breakage, leaks, latent defects, necessary repairs, fires, strikes, Acts of God, enemy action during time of war, or other causes or unusual demands on the City water system; however, the City does agree to take all necessary action to correct such interruptions and fluctuations as promptly as reasonably possible. The City shall not be held liable for unavoidable interruptions and fluctuations in the supply of water to the District.

4. The District agrees to pay and the City agrees to charge Twenty Five Cents (.25¢) per 1000 gallons of water furnished to the District as shown by the reading from the master meter (or meters if an additional meter should be later installed by subsequent agreement between the parties hereto). Such payments by the District to the City for water consumed shall be due monthly and within twenty (20) days after billing by the City; and date of reading and billing shall be on uniform days of each month, which days for reading and for billing shall be selected by the City. In the event that the District fails to make payment when due, the City shall be entitled to impose a penalty of ten (10%) percent on the amount billed; and if default on the part of the District in making payment should extend for more than thirty (30) days beyond the due date, the City may suspend service until the delinquent bill or bills and penalty have been paid unless the continuation of service should be ordered by the Public Service Commission of the Commonwealth of Kentucky or by a Court of competent jurisdiction.

5. The District agrees that it will from and after the time that water is commenced to be furnished by the City to the District for distribution and re-sale to the District's Members and Consumers, pay to the City a minimum monthly water bill of Seventy Five (\$75.00) Dollars per month.

6. The District agrees that it will not furnish water to any member or consumer if such member or consumer is known to be using any part of such water so furnished for crop irrigation purposes, unless such use is by and with the consent and approval of both the City and the District.

7. Nothing contained in this Contract shall be construed to prohibit or prevent the District from securing water from other sources of supply or from its own plant, in the event that the City should fail to supply an adequate amount of water suitable for human consumption for any cause or causes other than those set forth in numbered paragraph 3 above.

8. In the event that the City should at a future date, and while this Contract is still in force and effect, desire to purchase the entire distribution and facilities system of the District, then the District agrees that it will negotiate in good faith with the City of Nicholasville for a sale to the City of such distribution system and water facilities at a price that is reasonable after consideration of original costs, subsequent improvements, and the then prevailing replacement costs of market conditions, depreciation, liabilities of the District, and equity of member consumers; however, such sale by the District to the City shall be conditioned upon the following:

a. Approval by the membership and consumers of the District as required by law and lawful regulations.

b. Approval by creditors of the District, Mortgagees of District property and holders of bonded obligations of the District.

c. Approval by the Jessamine County Court, the Public Service Commission of the Commonwealth of Kentucky, the United States Department of Agriculture and any other governmental or quasi-governmental agencies whose approval is required by law, lawful regulations or contracts entered into by the District.

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

SEP 22 1984

PURSUANT TO 807 KAR 5011,  
SECTION 2 (1)

BY: *[Signature]*  
FOR THE PUBLIC

9. The Term of this Contract shall be for a period of forty (40) years commencing at the time that water is first sold and delivered by the City to the District through the master meter; however, it is understood and definitely agreed between the City and the District that at the termination of any five (5) year period after this Contract is placed into effect under the terms hereof, either the City or the District may require of the other party re-negotiation of the rate at which water is sold by the City to the District. The rate under which such water is sold shall not be changed, except for one or more of the following conditions:

- a. An increase or decrease in the costs of labor directly involved in the filtration and pumping of water.
- b. An increase or decrease in the cost of electricity used by the City in the pumping and filtration of water.
- c. An increase or decrease in the costs of materials and chemicals used by the City in the filtration and purification of its water.
- d. Any other item of cost or expenses necessarily and properly incurred by the City in the pumping, filtration, treatment and transportation of water from its source of supply to its point of delivery near the Northern corporate limits of the City of Nicholasville.

Both the City and the District agree that the benefits and burdens of both increases and decreases in costs of providing water by the City shall be reasonably attributed and apportioned in a fair and equitable manner among all of the City's consumers. Both the City and the District agree to negotiate any increase or decrease in applicable rates promptly and in good faith at the request of the other party.

10. At the termination of the original forty (40) year term of this Contract, the same shall be automatically renewed on a year to year basis, unless one of the parties hereto gives to the other party at least six (6) months notice of termination, which such Notice shall be six (6) months prior to the expiration of the original term

or at least six (6) months prior to the termination of any automatic annual renewal of this Contract.

11. In the event that a dispute concerning this Contract arises between the City and the District and in the event that such dispute can not be resolved between the City and the District within thirty (30) days after negotiations in good faith are commenced (which negotiations shall be commenced promptly at the request of either party) then such dispute shall be submitted to arbitration before a Committee of three (3) persons, one of whom shall be selected by the District, one of whom shall be selected by the City, and the third member of such Committee shall be selected by the two members designated by the City and the District. It is understood between both parties hereto that both the City and the District are public corporations; and that both of said parties are therefore subjected to regulations by various governmental agencies. With the foregoing in mind and, subject to approval by such agencies, if such approval is required, the determination by the Committee of Arbitration shall be binding on both of the parties to this Contract; and an appeal from such an arbitration to a court of competent jurisdiction may be taken only upon a showing that the rulings of the Arbitration Committee are capricious, based on fraudulent information or that the rulings of the Arbitration Committee are in gross disregard of applicable facts.

12. In the event of dispute between the City and the District, both parties agree that, during the period of time required for negotiation in good faith and for arbitration, if required, that the status quo existing between the parties prior to such dispute shall be maintained; however, any ruling by arbitration may, within the discretion of the Arbitration Committee, be made retroactive to any date subsequent to the date of notice by one party to the other of a grievance.

13. Any Notice by either party to the other may be made by the use of registered U. S. mail properly addressed to the other party at Nicholasville, Kentucky or such Notice may be served by a Law Enforcement Officer in the manner prescribed by the Rules of Civil Procedure of the Commonwealth of Kentucky.

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

SEP 22 1994

PURSUANT TO 807 KAR 5011,  
SECTION 9(1)

BY: \_\_\_\_\_  
FOR THE PUBLIC SERVICE COMMISSION

14. The City agrees to furnish and sell to the District, and the District agrees to purchase all of the District's water requirements from the City. The City will commence delivering water under the terms of this Contract as soon as the District becomes operational in the sense that its distribution system has been completed.

15. Each of the parties hereto shall be entitled to rely on a presumption of Internal Regularity concerning the procedures and authorizations pertaining to this Contract in the governing body of the other party; and each party certifies to the other party that the execution of this Contract is pursuant to such power and authority granted to the undersigned officers of each party.

IN WITNESS WHEREOF, the parties hereto have executed the foregoing instrument effective as of this the 10th day of August, 1964.

CITY OF NICHOLASVILLE

BY: *W. J. ...*  
MAYOR



*Delores Echino*  
CITY CLERK

JESSAMINE COUNTY WATER DISTRICT NO. 1

By: *Luther M. ...*  
Chairman - Member

*Ralph C. ...*  
Secretary - Member

*B. H. ...*  
Treasurer - Member



STATE OF KENTUCKY

COUNTY OF JESSAMINE, SCT.....

I, Frances Buford, Notary Public within and for the County of Jessamine and State of Kentucky, do certify that the foregoing instrument of writing between CITY OF NICHOLASVILLE, a Kentucky Municipal Corporation, of the Fourth Class, in Jessamine County, Kentucky and JESSAMINE COUNTY WATER DISTRICT NO. 1, of Jessamine County, Kentucky, acting by and through its Board of Commissioners, (same being Wholesale Water Contract), was this day produced to me in said County and State, and was acknowledged before me by Woodford Grow, Mayor and by Delores Elkins, as City Clerk of said City of Nicholasville, Kentucky, to be their act and deed as such Officers, respectively, and to be the act and deed of said City of Nicholasville, Kentucky.

All of which, together with this certificate, is certified to the proper office for record.



...my hand and seal this the 10th day of August, 1964.

Frances Buford  
Notary Public, Commonwealth of Kentucky,  
State at Large. My commission expires:  
April 12, 1966.

STATE OF KENTUCKY

COUNTY OF JESSAMINE, SCT.....

I, Frances Buford, Notary Public within and for the County of Jessamine and State of Kentucky, do certify that the foregoing instrument of writing between CITY OF NICHOLASVILLE, a Kentucky Municipal Corporation of the Fourth Class in Jessamine County, Kentucky, and JESSAMINE COUNTY WATER DISTRICT NO. 1, of Jessamine County, Kentucky (same being Wholesale Water Contract), was this day produced to me in said County and State, and was acknowledged before me by Luther Blakeman, Ralph C. Wyatt and B. H. Harrod, as Chairman, Secretary and Treasurer, respectively, and as all of the members of the Board of Commissioners of Jessamine County Water District No. 1, to be their act and deed, as such officers and members of the Board of Commissioners of said Jessamine County Water District No. 1, respectively, and to be the act and deed of Jessamine County Water District No. 1, of Jessamine County, Kentucky.



...my hand and seal this the 10th day of August, 1964.

Frances Buford  
Notary Public, Jessamine County, Kentucky  
My commission expires: April 12, 1966.

This instrument prepared

By: William B. Buford Attorney  
108 W. Maple Street  
Nicholasville, Kentucky

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

SEP 22 1964

PURSUANT TO 807 KAR 5.011,  
SECTION 2(1)

BY: [Signature]  
FOR THE RECORD

Book 72 Page 60

State of Kentucky ) SCT.

County of Jessamine

I, [Name], Clerk of the County aforesaid, do certify  
that the following instrument of writing from  
City of Nicholasville, a Kentucky

County Water District No. 1,

dated the 31st day of May, 1966, produced to me in my office

certified as above.

9:35 a.m.

and was on the 31st day of May, 1966 at

judged to be the grantee, all of which, together with the foregoing and this certificate,

is hereby certified to my said office.

Witness my hand this 31st day of May, 1966.

C. J. C.

D. C.