

Exc. copy

THIS AMENDMENT TO WATER PURCHASE CONTRACT AND MEMORANDUM OF AGREEMENT entered into on the 26th day of March, 1990, by and between the City of Pikeville, P.O. Box 1228, Pikeville, Kentucky, hereinafter referred to as the "Seller" and Mountain Water District, P.O. Box 1469, Pikeville, Kentucky 41501, hereinafter referred to as the "Purchaser".

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W I T N E S S E T H:

PURSUANT TO 807 KAR 5011,
SECTION 9(1)

BY: Jordan B. Neal
PUBLIC SERVICE COMMISSION

The parties hereto have entered into a Water Purchase Contract dated January 12, 1987 and Memorandum of Agreement dated November 4, 1986.

WHEREAS, the parties desire to amend the Water Purchase Contract and Memorandum Agreement in which they have entered.

NOW, THEREFORE, in consideration of the mutual terms and conditions hereinafter set forth, the parties do hereby agree as follows:

1. That the Seller is obligated to make available for purchase by the Purchaser pursuant to the terms of the parties' agreement a percentage of water produced by the Seller's water plant to be calculated by dividing the

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Purchaser's previous year water purchases by the ~~the~~ PURSUANT TO 807 KAR 5.011,
production of the Seller's water plant for the ~~the~~ SECTION 9(1)
The Seller shall make this percentage available to the ~~BY: *[Signature]*~~
Purchaser at all times including times in which there are water FOR THE PUBLIC SERVICE COMMISSION
shortages or disruption in services if said percentage of water
production by the Seller's plant can be reasonably transmitted
to the Purchaser.

2. That the term of the parties' agreement shall
be extended for an additional period of seven (7) years in
addition to the initial forty (40) year term provided for in
the Water Purchase Contract dated January 12, 1987 for a total
term of forty seven (47) years.

3. Paragraph 5 of the Water Purchase Contract
concerning "modification of contract" and Paragraph 1 of the
Memorandum of Agreement is hereby amended as it concerns
amendment to the parties' agreement to provide that the
provisions of these contracts pertaining to the scheduled rates
to be paid by the Purchaser for water delivered shall be
adjusted in accordance with the formula provided by H. J.
Umbaugh and Associates, but such adjustments shall not consider
any increase capitalization of the Seller's system with the
exception of any capital improvements to the Seller's system
which are made solely at the request of the Purchaser or which
are needed to increase water sales solely to the Purchaser.
Adjustments shall apply equitably to all wholesale purchasers

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and shall not be justified by any cost plus operating contract entered into by the Seller.

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BY: Jordan C. Neal
FOR THE PUBLIC SERVICE COMMISSION

4. With reference to the Yorktown purchase point, it is understood that if line extensions, improvements to or upgrading of existing lines are necessary to provide the Purchaser with said purchase points, both parties will share the proportionate cost and expense to make such improvements or additions based upon the benefit to be gained by both parties.

5. It is agreed that a purchase point shall be established on Island Creek and that both parties will share the proportionate cost and expense necessary for line extensions, improvements to or upgrading of existing lines based upon the benefit gained by both parties. In the event that Island Creek purchase point shall render the Cedar Gap pumping station inoperable then the Purchaser shall pay the cost of relocating said pump station.

6. It is understood by the parties hereto that in the event that the Purchaser should desire additional purchase points, it is understood that if additional pump stations, transmission lines and/or upgrading of existing lines is necessary to provide the desired purchase point, both parties shall share in the proportionate expense of such additional pump stations, lines or upgrade of existing lines based upon the benefit to be gained by both parties.

7. That in the event that both parties agree that a second Levisa Fork River crossing at or in the vicinity of

the Island Creek Bridge becomes necessary, it is understood that both parties shall equally share the cost and expense associated with said crossing.

8. Paragraph 3 of the Water Purchase Contract concerning metering equipment is hereby amended to reflect that the metering equipment shall be read on the first day of the month.

9. That all extension of water lines or upgrade of the existing water lines in the city limits shall be done pursuant to the building specifications adopted by the City of Pikeville.

IN WITNESS WHEREOF, the parties hereto have executed their signatures the day and year first above written.

CITY OF PIKEVILLE

Walter E. May
WALTER E. MAY, MAYOR

ATTESTED:

Karen Harris
KAREN HARRIS, CITY CLERK

MOUNTAIN WATER DISTRICT

Leon Huff
CHAIRMAN - PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE

FM 1177 CONCURS: 5-1-90
Robert W. Letton
Chief, Community + Business Programs

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BY: Jordan C. Neal
FOR THE PUBLIC SERVICE COMMISSION

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ATTESTED:

Ernest P. Chaney

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SECTION 9 (1)

BY: Jordan P. Noel
FOR THE PUBLIC SERVICE COMMISSION

STATE OF KENTUCKY

COUNTY OF PIKE

The foregoing Amendment to Water Purchase Contract and Memorandum of Agreement was subscribed and acknowledged before me by WALTER MAY, Mayor of the CITY OF PIKEVILLE, a municipal corporation and KAREN HARRIS, its City Clerk to be the voluntary act of the CITY OF PIKEVILLE, this the 26th day of March, 1990.

My Commission expires June 15, 1993.

John B. Johnson
NOTARY PUBLIC

STATE OF KENTUCKY

COUNTY OF PIKE

The foregoing Amendment to Water Purchase Contract and Memorandum of Agreement was subscribed and acknowledged before me by Leon Huffman, Chairman of Mountain Water District and Rudy Peltis, its Secretary, to be the voluntary act of the MOUNTAIN WATER DISTRICT this the 19 day of April, 1990.

My Commission expires 7/19/93.

Doris Ann Chesley
NOTARY PUBLIC

Resolution 90:02 of the Mountain Water District

RE: Amendment of Water Purchase Contract between
Mountain Water District and the City of
Pikeville

WHEREAS Mountain Water District wishes to extend the term
of its Water Purchase Agreement with the City of Pikeville
for the purpose of selling 40 year maturity revenue bonds,
and

WHEREAS the City Commissioners of Pikeville in regular
meeting on March 26, 1990 approved an amendment extending
the agreement for seven years to Jan 12, 2034

NOW THEREFORE BE IT RESOLVED that said amendment be and
is hereby approved by the Board of Commissioners, Mountain
Water District.

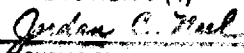

Leon Huffman
Chairman


Rudy Pollis
Secretary

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BY: 
FOR THE PUBLIC SERVICE COMMISSION