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C O N T R A C T

THIS CONTRACT, made and entered into by and between the City of Richmond, Kentucky, through its Board of Public Utilities known as the Richmond Water, Gas and Sewerage Works, also hereinafter referred to as the Board, as the party of the First Part, and Milford Water District, Inc., also hereinafter referred to as the District, as the party of the Second Part.

WITNESSETH, That Whereas, the City of Richmond through its Board of Public Utilities, known as the Richmond, Water, Gas and Sewerage Works, operates a water distribution system and

Whereas, the Milford Water District, Inc. is attempting to construct a water distribution system for the following described area:

BEGINNING at a point Three Thousand (3,000) feet North of Larnes Mill Road and One Thousand One Hundred (1,100) feet West of Interstate Highway 75, thence due West for a Distance of Seven Thousand (7,000) feet thence due South for a distance of One Thousand Seven Hundred Sixty (1,760) feet to Hagans Mill Road, thence in a Southeasterly direction with Hagans Mill Road, crossing Kentucky Highway 52, to a point Three Thousand (3,000) feet East of Kentucky Highway 52, thence in a Northerly direction a line parallel to and Three Thousand (3,000) feet East of Kentucky Highway 52 to a point approximately Six Hundred (600) feet South of Eastern By-Pass (the property line between Eastern Kentucky University and John Hall), thence in a Westerly direction, crossing Kentucky Highway 52, and along the South City limits of Richmond, Kentucky to a point Seven Hundred (700) feet West of Interstate Highway 75, thence, due North to the point of beginning, and

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PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

BY: Jordan C. Kuhl
FOR THE PUBLIC SERVICE COMMISSION

Whereas, said Board of Public Utilities of the City of Richmond desires to sell water to said District and said District

desires to purchase water from said Board for use in its distribution system for the above described area,

NOW, THEREFORE, IT IS COVENANTED AND AGREED BETWEEN THE PARTIES HERETO AS FOLLOWS:

1. The City of Richmond acting through said Board does hereby promise and agree to furnish and sell treated water to Milford Water District, Inc..
2. The District shall pay for such treated water at the prevailing city rates.
3. The City of Richmond by and through its Board of Public Utilities agrees to furnish treated water to the District at two (2) points, one near Kentucky Highway 52 and adjacent to the Richmond City Limits and the other near the intersection of Interstate Highway 75 and the Banks Mill Road, the exact location to be agreed upon by Ballard H. Linnell, Civil Engineers and a representative of the Board. It is expressly understood and agreed, however, that said connection or connections to be made at said points are to be at the expense of the District and without cost or expense to the party of the First Part; that water is to be furnished in such quantities as may be required by said District, if and when said District can construct a water distribution system and the District must start construction within One (1) Year from the date hereof and commence operation of its system within a reasonable time thereafter or this Contract shall become void.
4. The obligation of said Board to supply water as agreed upon under the paragraph next above is limited to the understanding that the said Board shall be required to use reasonable care and diligence in the operation and maintenance of its water supply system to prevent and avoid interruption or fluctuation in PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE

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FOR THE PUBLIC SERVICE COMMISSION

cannot and does not guarantee that such an interruption or fluctuation will not occur; that because of emergency due to breaks, leaks, defects, necessary repairs, fires, strikes, acts of God, or other causes or unusual demands upon its system there may be periods during which the supply may be materially curtailed or interrupted, in which event, said Board shall not be held liable for failure to supply said District with its needs. However, said Board is to use diligence in removing the cause of interruption or suspension.

5. The water furnished to the District shall be through a fire main, compound meter or meters which will be paid for, installed and maintained by the District.

6. The term of this Contract shall be for a period of Twenty (20) Years, beginning on that date which the District has completed and has ready for use its distribution system and the District is hereby granted an option to renew or extend this Contract for an additional term of Twenty (20) Years commencing at the end of the original term aforesaid, no notice of extension to be given. The District hereby agrees that during the term of this Contract or of any renewal thereof, it shall purchase water from the party of the first part only and from no other source of supply, and the City agrees that it will not furnish such water service in the aforesaid area, except that the Board reserves the right to sell water to any landowner immediately adjacent to the present City limits, provided such a landowner, at his own expense, lays a water line from the existing city lines to such owners property, and further provides that said landowner has not signed a customer contract with the District.

7. The District agrees to pay for water furnished to it at the rate herein called for as shown by the reading of a meter or readings

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of said meter or meters through which water is furnished to said District under this Contract. Said payments shall be made monthly and within fifteen (15) days after receipt of a statement by said District. Said statement shall be sent to said District on such date as said Board shall prescribe, in the event said District fails to make any such payment when due, said Board may in its discretion impose and inflict upon said District the penalties applicable to delinquent customers of said Board and may in its discretion suspend service to said District until said delinquent payments and penalties have been paid.

8. This Contract shall be binding upon the parties hereto or their assigns or their successors in interest or their successors in operation.

IN TESTIMONY WHEREOF, this Contract is executed by the City of Richmond, by and through its said Board of Public Utilities, known as the Richmond Water, Gas and Sewerage Works and by the Milford Water District, Inc., on this the 9th day of October, 1967, in multiple copies, each of which shall have the same force and effect as the original.

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RICHMOND WATER, GAS AND SEWERAGE WORKS
BY: [Signature]
CHAIRMAN

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PURSUANT TO 807 KAR 5.011, MILFORD WATER DISTRICT, INC.
SECTION 9(1)

BY: Jordan C. Neel
FOR THE PUBLIC SERVICE COMMISSION

BY: [Signature]
President
[Signature]
Secretary

The execution of this Contract was authorized and approved by the Common Council of the City of Richmond at a meeting held on the 9 day of October, 1967.

City of Richmond, Kentucky