

THIS AGREEMENT made and entered into at Grant County, Kentucky this the 3<sup>rd</sup> day of May, 1994 by and between BULLOCK PEN WATER DISTRICT, of 1 Farrell Drive, (P. O. Box 188) Crittenden, Kentucky, 41030 and the CITY OF WILLIAMSTOWN of 400 North Main Street, (P.O. Box 147), Williamstown, KY 41097

WITNESSETH:

Whereas the parties hereto did heretofore enter into a written contract dated the 4th Day of May 1993; and,

Whereas the parties hereto have each concluded it is beneficial to each and to their mutual benefit that certain provisions of that agreement be deleted; that other provision of that agreement be amended and that some completely new provisions be added,

NOW THEREFORE in consideration of these premises and of the covenants hereinafter set out the parties hereto do mutually agree:

1) As used in this agreement, unless the context requires otherwise:

a) City means the City of Williamstown

b) District means Bullock Pen Water District

c) Point of Delivery - the meter vault and metering equipment located at the terminus of the water main of the City and at the origin of the waterline of the District which is supplied by the City

d) Full Year - a period of 365 days

2) The City agrees to supply to the district, at the point of delivery, as is set out in paragraph 5 hereof, potable water to be used for domestic, commercial, manufacturing or fire suppression purposes, and that such water shall meet all applicable standards for water quality produced for such purposes as provided in the current standards of the Kentucky Cabinet for Human Resources. The District agrees to purchase at least the volumes or quantities set out below:

a) Not less than 100,000 gallons of water per day (3,000,000 gallons per month) averaged over a thirty day period for the first full year from the date water is first delivered under

RECEIVED

AUG 17 1994

PUBLIC SERVICE  
COMMISSION

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

SEP 02 1994

the terms of this contract.

b) Not less than 150,000 gallons of water per day (4,500,000 per month) averaged over a thirty day period following the first full year after the commencement of delivery of water under this contract.

c) The District shall not be required to purchase nor shall the City be required to furnish under the terms of this contract more than 500,000 gallons of water per day, averaged on a monthly basis under the terms of this contract.

3) The District and the City agree to review at least once every five (5) years (measured from the date of this agreement) the water needs of the District, excess water, if any, which the City may have available for sale and may then by mutual agreement enter into a written agreement modifying the provisions hereof relating to the amount of water to be sold and purchased thereafter by the terms of this contract.

4) (a) In the event water supplied by the City to the District at any time does not meet any of the then existing water quality standards imposed or promulgated by any Federal, State, or Local agency having jurisdiction, the City agrees that it will provide all necessary additions to its facilities and provide all additional treatments for the processing of potable water to be distributed to its customers in order that the water sold by the City to the District will meet any and all then applicable Federal, State, or Local agency water quality standards.

(b) The District agrees that it will pay, in addition to all other charges provided to be paid by this agreement, its prorated cost of all expenses associated with such enhanced water treatment and the facilities required to provide such treatment. The District's prorated proportion of such expense shall be determined by multiplying the total of such cost by a percentage determined by a fraction, the denominator of which shall be the total of the water sold by the City to all customers, including the District in an appropriate thirty (30) day period, and the numerator is the total volume of water sold by City to the District in the same thirty (30) day period. Such additional cost per 1000 gallons of water will be added to the then rate per 1000 gallons and a new charge per 1000 gallons will be fixed

SEP 02 1994

PURSUANT TO 807 KAR 5.011,  
SECTION 9 (1)

BY: Jordan C. Neal  
FOR THE PUBLIC SERVICE COMMISSION

fittings, valves, by passes, back flow preventers meter bases, meters, and other devices as provided in the plans and specifications therefor which had been approved by City. All of such work shall be completed within ninety (90) days following notice by the City that it anticipates completing the construction of its water main to such site within one-hundred twenty (120) days.

(10) After inspection and acceptance by the City of the meter house or pit, meter and appurtenance it will operate and maintain the meter house or meter pit and the meters, piping, valves, and appurtenances installed therein at the City's sole expense for the purpose of properly measuring the quantity of water delivered by the City to the District and shall cause the metering equipment to be calibrated, as required by the District or desired by the City, but such calibration shall not be required more frequently than once every twelve (12) months. A meter registering not more than one and one-half percent (1 1/2%) above or below the test results will be deemed to be accurate.

(11) The previous readings of any meter disclosed by test to be inaccurate shall be corrected for the six (6) months previous to such test in accordance with the percentage of inaccuracy found by such test. 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 City and the District shall agree upon a different amount. The metering equipment shall be read on or about the 15th day of each month. Any appropriate official of the District shall have access to the meter for the purpose of verifying its readings, at all reasonable times.

(12) The City will cause such meter to be read by its personnel on or about the 15th day of each month and will cause such reading to be entered into its permanent records and will utilize such reading in preparing the statement mentioned in paragraph (13).

(13) City will furnish to the District at 1 Farrell Drive, Crittenden, Kentucky 41030 (or at such other place as it may designate in a writing delivered or mailed by the District to the City) on or about the first day of each month following each meter reading a statement of charges showing the amount of water delivered by the City to the District during the preceding meter reading period (15th to 15th), and the amount of the payment due for the

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

SEP 02 1994

PURSUANT TO 807 KAR 5011,  
SECTION 9(1)

BY: *Jordan P. Neal*  
FOR THE PUBLIC SERVICE COMMISSION

water so furnished.

(14) The District shall pay to the City not later than the 10th day of each month the amount of the statement received by it on or about the 1st day of that month. Such payments shall be delivered or mailed to the City at 400 North Main Street, P.O. Box 147, Williamstown, Kentucky, 41097 (or at such other place as the city may designate in a writing delivered to the District).

(15) The term of this contract shall be a term of twenty-one (21) years commencing with the date of the first delivery of water under this contract to the metering point available for delivery to the District.

(16) The term of this agreement may be extended at any time by a written mutual agreement executed by the duly authorized officers of each of the parties hereto which is filed in the office of the Grant County Clerk within thirty (30) days following such execution.

(17) At least ten (10) days prior to the estimated completion date of the City's water line to the "point of delivery" the City will provide a written notice to the District of its anticipated date of initial delivery of water.

(18) The city will endeavor, at all times, to the best of its ability, to operate and maintain its water purification and distribution system in an efficient manner and will take such action within its capabilities as may be reasonably necessary to furnish the District with the quantities of potable water required by the District hereunder. Temporary or partial failures to deliver water shall be remedied by the city as promptly as reasonably possible. In the event of an extended shortage of water, or the supply of water available to the City is otherwise diminished over an extended period of time, the supply of water to the District's consumers shall be reduced or diminished in the same ratio or proportion as the supply to the City's consumers is reduced or diminished.

(19) The rate or charge at which the District purchases treated water from the City will be reviewed by the parties hereto annually on or about the first day of February of each year.

(20) The initial cost of water delivered or made available to the District by the City at the designated

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

SEP 02 1994

PURSUANT TO 807 KAR 5:011,  
SECTION 9 (1)

BY: Jordan C. Neal  
FOR THE PUBLIC SERVICE COMMISSION

point of delivery shall be TWO DOLLARS and four cents (\$2.04) for each 1000 gallons of water, effective July 1st 1994.

(21) The rate to be charged by the City to the District, for water furnished under this agreement may be increased or decreased by the City during the term of this agreement only in accordance with the following requirements:

(a) The City shall not increase or decrease the rate per one thousand gallons to be paid by the District to the City more often than once in any 365 day period.

(b) The City shall neither increase nor decrease the rate per one thousand gallons to be paid by the District to the City unless the City shall have delivered or mailed to the District written notice of such increase or decrease a minimum of four (4) months prior to the effective date of such increase or decrease.

(c) The City shall not increase or decrease, at any one time, the rate per one thousand gallons to be paid by the District to the City by an amount of more than ten percent (10%) of then current charge per one thousand gallons prior to such change, except for a change made in accordance with the provisions of Paragraph (4) hereof.

(d) Whenever The City determines it is appropriate for it to increase or decrease the charges then being made to its water consuming customers within the city limits of The City, it will, subject to the provisions set out in subparagraphs (a), (b) and (c) of this paragraph (21), also increase or decrease the charges then being made to the district for each 1,000 gallons of water by the same percentage as it increases the charge then being made to its water consuming customers residing within the city's limits; however, except, as provided in paragraph four hereof the City will not increase or decrease charges to the District for water delivered to it unless it also increases or decreases the charges to its customers within the limits of the City and then only by the same percentage.

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

SEP 02 1994

PURSUANT TO 807 KAR 5.011,  
SECTION 9 (1)

BY: Jordan C. Neal  
FOR THE PUBLIC SERVICE COMMISSION

(22) The District shall cause this contract to be submitted to the Public Service Commission of the Commonwealth of Kentucky for its approval as promptly as possible. All costs, expense fees, etc. incurred by such application shall be borne by the District. The City shall cooperate in every way possible. This agreement although executed by both parties shall not be binding on either party until it has been approved in its entirety by the Public Service Commission of Kentucky.

(23) The parties anticipate: (a) the City will complete the construction of the eight (8) inch water main mentioned herein to the "point of delivery" by October 1st, 1994 and (b) the District will obtain approval of this agreement by the Public Service Commission as provided by paragraph 22 hereof, by October 1st, 1994 and (c) the District will have completed the construction and equipping of the meter pit or meter house as mentioned in paragraphs (8), (9) and (10) hereof, by October 1st, 1994. Each of the parties hereto agree one with the other to fully cooperate one with the other and to use their best efforts and all reasonable dilligence to accomplish these objectives.

This agreement shall supersede the contract of May 4th, 1993 and the provisions of that agreement shall hereafter be null and void.

No part of this agreement shall be modified, changed, or altered unless the same be done by written agreement signed by the duly authorized officials of each of the parties hereto.

IN WITNESS WHEREOF the parties have set their respective hands the day and year first above written.

BULLOCK PEN WATER DISTRICT

ATTEST:

Dale Dudley

Secretary

By

Bobby Burgess  
Bobby Burgess, Chairman

CITY OF WILLIAMSTOWN

ATTEST:

Deborah A. Stacey  
Deborah A. Stacey, Clerk

By

Robert Hall Jones  
Robert Hall Jones, Mayor

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

Page 7 of 7

SEP 02 1994

PURSUANT TO 807 KAR 5.011,  
SECTION 9 (1)

BY: Jordan C. Neal  
FOR THE PUBLIC SERVICE COMMISSION