

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

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

WATER CONTRACT

PUBLIC SERVICE
COMMISSION

BY *George S. Sells*
PUBLIC SERVICE COMMISSION MANAGER

THIS AGREEMENT, made and entered into this eleventh day of July, 1990, by and between Kenton County Water District No. 1, a public body corporate in Kenton County, Kentucky, acting by and through its Board of Commissioners, hereinafter designated as "District", and the City of Ludlow, a municipal corporation of the 4th class, in Kenton County, Kentucky, acting by and through its City Council hereinafter designated as "City".

WHEREAS, the City of Covington has deeded to the Kenton County Water District No. 1 all of its water related facilities and operations and

WHEREAS, the District is capable of continuing to supply the City with all of its water needs and

WHEREAS, the City and the District are desirous of continuing that arrangement and

WHEREAS, the legislative bodies of the District and the City have duly authorized the execution of this contract;

NOW, THEREFORE, THE PARTIES HEREBY AGREE AS FOLLOWS:

1. In accordance with the rules, regulations, and water rates established by the Kentucky Public Service Commission, the District agrees to sell and deliver to the City all water needed by the City and its residents and the City agrees to pay on a

timely basis for all water purchased upon receipt of a statement from the District. The present rate which was established by the Kentucky Public Service Commission effective October 1, 1987, is \$0.58 per 100 cubic feet.

2. Billing will be based on the actual consumption recorded by the City and billed to its customers plus 14.3% for fire protection and unaccounted-for losses. The District will have the right to audit the reported consumptions on an annual basis.

3. The District absolves and holds harmless the City from any damages arising out of the construction and maintenance of the existing 20 inch transmission main located in West Street, Post Place, Louise Court, Ash Street, Carneal Street, and Oak Street.

4. The District will maintain the 20 inch transmission main and the 13 existing valves connected to the main. These 13 valves are connected to City distribution mains. The City will notify the District if these valves need to be operated to relieve the City of any liability for damage to the valves or transmission main. Any necessary future connections (6 inch or larger) to the existing 20 inch transmission main that the City may need to serve its customers will be permitted. All connection costs will be borne by the City. The City must obtain District approval for the method of connecting to the 20 inch main and the District must be given the opportunity to inspect the actual work.

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BY: *Glenn Sells*
PUBLIC SERVICE COMMISSION MANAGER

5. The District shall use reasonable diligence and care to provide a regular and uninterrupted supply of water to the City and to avoid any shortage or interruption of delivery; the District shall not be liable for any failure, interruption or shortage of water or any loss or damage resulting therefrom occasioned in whole or in part by any cause beyond the reasonable control of the District.

6. In the event any additional taxes are hereafter levied on the District for the sale, use, or consumption of water, the City will pay their proportionate share.

7. This contract shall be effective upon the execution thereof by both parties and shall continue for a period 20 years thereafter.

8. The City will maintain all distribution mains from the connecting valve on the 20 inch transmission main. If an unmetered water leak on City maintained water main is not repaired within a reasonable time frame, the District has the right to discontinue service to those areas until the leak has been repaired by the City.

9. The provisions of this contract are subject to such jurisdiction of the Kentucky Public Service Commission as it may have under existing State Law or as it may hereafter acquire, but the provisions of this contract shall not increase or diminish such jurisdiction.

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BY *[Signature]*

10. If any section, paragraph, or clause of this contract shall be held invalid, the invalidity of such sections, paragraph, or clause shall not affect the remaining provisions of this contract.

IN WITNESS WHEREOF, the Kenton County Water District No. 1 by resolution duly adopted by its Board of Commissioners authorizing its Chairman and Secretary, and the City of Ludlow by resolution duly adopted, by its City Council authorizing its Mayor and its Clerk to affix their signatures, respectively, have hereto executed this contract as of the date first herein written.

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BY: *George Sallee*
PUBLIC SERVICE COMMISSION MANAGER

ATTEST:

KENTON COUNTY WATER DISTRICT NO. 1

Jack Smart
Secretary

Lamar J. Hight
Chairman

CITY OF LUDLOW

Geneva Palmer
Geneva Palmer
Clerk

Edward G. Monahan
Edward G. Monahan
Mayor

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BY: Leon Sells
PUBLIC SERVICE COMMISSION MANAGER