

WATER PURCHASE CONTRACT

This contract for the sale and purchase of water is entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 19 70, between West Daviess County Water District, Owensboro, Daviess County, Kentucky 42301

(Address)

hereinafter referred to as the "Seller" and the Beech Grove Water System, Inc., Beech Grove, McLean County, Kentucky 42322

(Address)

hereinafter referred to as the "Purchaser",

WITNESSETH:

Whereas, the Purchaser is organized and established under the provisions of Chapter 273 of the ~~Code~~ Code of Kentucky Revised Statutes, for the purpose of constructing and operating a water supply distribution system serving water users within the area described in plans now on file in the office of the Purchaser and to accomplish this purpose, the Purchaser will require a supply of treated water, and

Whereas, the Seller owns and operates a water supply distribution system with a capacity currently capable of serving the present customers of the Seller's system and the estimated number of water users to be served by the said Purchaser as shown in the plans of the system now on file in the office of the Purchaser, and

Whereas, by resolution No. \_\_\_\_\_ enacted on the \_\_\_\_\_ day of \_\_\_\_\_, 19 70, by the Seller, the sale of water to the Purchaser in accordance with the provisions of the said resolution was approved, and the execution of this contract carrying out the said resolution by the Chairman, Board of Commissioners and attested by the Secretary, was duly authorized, and

Whereas, by resolution of the \_\_\_\_\_ of the Purchaser, enacted on the \_\_\_\_\_ day of \_\_\_\_\_, 19 70, the purchase of water from the Seller in accordance with the terms set forth in the said resolution was approved, and the execution of this contract by the President, and attested by the Secretary was duly authorized;

Now, therefore, in consideration of the foregoing and the mutual agreements hereinafter set forth, SEP 18 1970

A. The Seller Agrees:

1. (Quality and Quantity) To furnish the Purchaser at the point of delivery hereinafter specified, during the term of this contract or any renewal or extension thereof, potable treated water meeting applicable purity standards of the public health authorities of the Commonwealth of Kentucky and McLean County, Kentucky three (3) million in such quantity as may be required by the Purchaser not to exceed \_\_\_\_\_ gallons per month.

2. (Point of Delivery and Pressure) That water will be furnished at a reasonably constant pressure calculated at \_\_\_\_\_ from an existing six (6") inch inch main supply at a point located on Kennedy Highway # 56 at St. Joseph, Kentucky

If a pressure more than that normally available at the point of delivery is required by the Purchaser, the cost of providing such additional pressure shall be borne by the Purchaser. Emergency failures of pressure or supply due to main supply line breaking, power failure, flood, fire and use of water to fight fire, earthquake or other catastrophe shall excuse the Seller from this provision for such reasonable period of time as may be necessary to restore service.

See Substitute Paragraph A - 3, annexed hereto as Exhibit "a".  
 XXXX Metering equipment to furnish, install, operate, and maintain at its own expense at point of delivery, the necessary metering equipment, including a meter house or pit, and required devices of standard type for properly measuring the quantity of water delivered to the Purchaser and to calibrate such metering equipment whenever requested by the Purchaser but not more frequently than once every twelve (12) months. XXXX meter registering not more than two percent (2%) above or below the actual test results shall be corrected for the \_\_\_\_\_ months previous to such test in accordance with the percentage of inaccuracy shown by such tests. 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 Seller and Purchaser shall agree upon a different method. The metering equipment shall be read only by an appropriate official of the Purchaser at all reasonable times, shall have access to the meter for the purpose of verifying its readings.

XXX XXXX (Billing Procedure) To furnish the Purchaser at the above address not later than the \_\_\_\_\_ day of each month, with an itemized statement of the amount of water furnished the Purchaser during the preceding month.

B. The Purchaser Agrees:

1. (Rates and Payment Date) To pay the Seller, not later than the \_\_\_\_\_ day of each month, for water delivered in accordance with the following schedule of rates:

- ✓ XXXX \_\_\_\_\_ XXXX \_\_\_\_\_ XXXX \_\_\_\_\_ XXXX \_\_\_\_\_
- ✓ XXXX \_\_\_\_\_ XXXX \_\_\_\_\_ XXXX \_\_\_\_\_ XXXX \_\_\_\_\_
- ✓ XXXX \_\_\_\_\_ XXXX \_\_\_\_\_ XXXX \_\_\_\_\_ XXXX \_\_\_\_\_

- a. \_\_\_\_\_ ( ) cents per thousand (1000) gallons.
- b. Any water desired above 100,000 gallons per day will be subject to mutual agreement both as to price and as to quantity.

SEP 18 1933

RECEIVED BY KAR BOLL, CITY ENGINEER  
 SEP 18 1933  
 PUBLIC UTILITY COMMISSION MANSER

XXXX XXXX \_\_\_\_\_ XXXX \_\_\_\_\_ XXXX \_\_\_\_\_ XXXX \_\_\_\_\_  
 XXXX \_\_\_\_\_ XXXX \_\_\_\_\_ XXXX \_\_\_\_\_ XXXX \_\_\_\_\_  
 XXXX \_\_\_\_\_ XXXX \_\_\_\_\_ XXXX \_\_\_\_\_ XXXX \_\_\_\_\_

C. It is further mutually agreed between the Seller and the Purchaser as follows:

(40)

1. (Term of Contract) That this contract shall extend for a term of forty years from the date of the initial delivery of any water as shown by the first bill submitted by the Seller to the Purchaser and, thereafter may be renewed or extended for such term, or terms, as may be agreed upon by the Seller and Purchaser.

(30)

2. (Notice of Water) That thirty days prior to the estimated date of completion of construction of the Purchaser's water supply distribution system, the Purchaser will notify the Seller in writing the date for the initial delivery of water.

3. (Water for Testing) When requested by the Purchaser the Seller will make available to the contractor at the point of delivery, or other point reasonably close thereto, water sufficient for testing, flushing, and trench filling the system of the Purchaser during construction, irrespective of whether the metering equipment has been installed at that time, at a

flat charge of \$ \_\_\_\_\_ which will be paid by the contractor or, on his failure to pay, by the Purchaser.

4. (Failure to Deliver) That the Seller will, at all times, operate and maintain its system in an efficient manner and will take such action as may be necessary to furnish the Purchaser with quantities of water required by the Purchaser. Temporary or partial failures to deliver water shall be remedied with all possible dispatch. In the event of an extended shortage of water, or the supply of water available to the Seller is otherwise diminished over an extended period of time, the supply of water to Purchaser's consumers shall be reduced or diminished in the same ratio or proportion as the supply to Seller's consumers is reduced or diminished.

5. (Modification of Contract) That the provisions of this contract pertaining to the schedule of rates to be paid by

(5)

the Purchaser for water delivered are subject to modification at the end of every five year period. Any increase or decrease in rates shall be based on a demonstrable increase or decrease in the costs of performance hereunder, but such costs shall not include increased capitalization of the Seller's system. Other provisions of this contract may be modified or altered by mutual agreement.

6. (Regulatory Agencies) That this contract is subject to such rules, regulations, or laws as may be applicable to similar agreements in this State and the Seller and Purchaser will collaborate in obtaining such permits, certificates, or the like, as may be required to comply therewith.

7. (Miscellaneous) That the construction of the water supply distribution system by the Purchaser is being financed by a loan made or insured by, and/or a grant from, the United States of America, acting through the Farmers Home Administration of the United States Department of Agriculture, and the provisions hereof pertaining to the undertakings of the Purchaser are conditioned upon the approval, in writing, of the State Director of the Farmers Home Administration.

8. (Successor to the Purchaser) That in the event of any occurrence rendering the Purchaser incapable of performing under this contract, any successor of the Purchaser, whether the result of legal process, assignment, or otherwise, shall succeed to the rights of the Purchaser hereunder.

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
OFFICE

SEP 18 1933

RECEIVED BY NEW MAR 5011  
BY \_\_\_\_\_  
PUBLIC SERVICE COMMISSION MANAGER

In witness whereof, the parties hereto, acting under authority of their respective governing bodies, have caused this contract to be duly executed in two (2) counterparts, each of which shall constitute an original.

Seller:

WEST DAVIESS COUNTY WATER DISTRICT

By \_\_\_\_\_

Title Chairman Board of Commissioners

Attest:

\_\_\_\_\_  
Secretary

Purchaser:

BEECH GROVE WATER SYSTEM, INC.

By \_\_\_\_\_

Title President

Attest:

\_\_\_\_\_  
Secretary

This contract is approved on behalf of the Farmers Home Administration this \_\_\_\_\_ day of \_\_\_\_\_, 19 \_\_\_\_\_.

By \_\_\_\_\_

Title \_\_\_\_\_

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
OFFICE

SEP 13 1989

FORWARDED BY MAIL  
SEP 14 9 13  
BY \_\_\_\_\_  
PUBLIC SERVICE COMMISSION MANAGER

SUBSTITUTE PARAGRAPH "A" - 3.

The Beech Grove Water System, Inc. shall purchase and install the metering devices at the points of delivery, but the West Daviess County Water District shall own, operate, and maintain the metering devices. The West Daviess County Water District shall perform such tests and inspections of the meters as may be necessary to maintain them at the highest practical commercial standard of accuracy, with tests performed at intervals of not more than 12 months, and the West Daviess County Water District shall advise the Beech Grove Water System, Inc. promptly of the results of all such tests. The West Daviess County Water District shall give Beech Grove Water System, Inc., notice of and the opportunity to have representatives present at any such tests or inspections. The West Daviess County Water District shall make additional tests of said meters at the request of the Beech Grove Water System, Inc., and in the presence of said corporation's representatives.

The standard of accuracy shall be two (2%) per cent, slow or fast. If such tests shall show that the metering is inaccurate by more than the standard, correction shall be made in the billing to the Beech Grove Water System for the period during which the parties agree that the inaccuracy existed. If no such agreement is reached, it shall be assumed that the error developed progressively from the date of the last metering test and the appropriate adjustment shall be made.

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
OFFICE

SEP 18 1983

RECEIVED  
BY *[Signature]*  
PUBLIC SERVICE COMMISSION MANAGER

Exhibit "a"