Form.FHA 442-30 (Rev. 4-19-72)

#### WATER PURCHASE CONTRACT

\$0.87

This contract for the sale and purchase of water is entered into as of theday of,
83, between the <u>City of Brandenburg</u>
(Address)
hereinafter referred to as the "Seller" and the <u>Meade County Water District</u> .
,
(Address) hereinafter referred to as the "Purchaser",
WITNESSETH:
Whereas, the Purchaser is organized and established under the provisions of Chapter 74 of the
Rode 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 <u>ordinance</u> No. 239 enacted on the PUBLIC SERVICE COMMISSION
of, 19 87, by the Seller, the sale of water to the Purche KENTICKY ance FFFECTIVE
th the provisions of the said <u>ordinance</u> was approved, and the execution of this contract
carrying out the said <u>ordinance</u> by the <u>Mayor'</u> SEP 09 1994 and attested by the Secretary, was duly authorized, and PURSUANT TO 807 KAR 5.011.
Whereas he resolution of the Commission SECTION 9(1)
of the Purchaser, enacted on the 7th day of February FOR INFPRESSOR 19.84
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
Now, therefore, in consideration of the foregoing and the mutual agreements hereinafter set forth,
A. The Seller Agrees:
1. (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
Commonwealth_of_Kentucky
in such quantity as may be required by the Purchaser not to exceed 3.000.000 gallons per month.
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PUBLIC SERVE C COMMISSION

2. (Point of De	livery and Pressure) That v	vator will be f	urnished at a reasonably constant pressure calculated
30_psi	from an existing	811	inch main supply at a point located
greater pressure than greater pressure shaks, power failure, flo s provision for such rea	that normally available at tall be borne by the Purchas od, fire and use of water to sonable period of time as ma	he point of del er. Emergéncy light fire, eart y be necessary	
cossory motering equipe country of water delivers to the contract of the contr	ment, including a meter house vered to the Purchaser and to than once every twelve (12)	se or pit, and i calibrate such months. A m	maintain at its own expense at point of delivery, the required devices of standard type for properly measuring metering equipment whenever requested by the Purchaser neter registering not more than two percent (2%) above or readings of any meter disclosed by test to be inaccurate
accutacy found by such	tests. If any meter fails to	register for any	evious to such test in accordance with the percentage of y period, the amount of water furnished during such period ding period immediately prior to the failure, unless Seller
nd Purchaser shall agree a appropriate official o s readings.	e upon a different amount. The fire Purchaser at all reasons	ne metering equ mable times sh	ipment shall be read on THE 15th of each month- all have access to the meter for the purpose of verifying
4. (Billing Proach month, with an item	ocedure) To Surnish the Purcized statement of the amount	chaser at the a of water furnish	bove address not later than the <u>3rd</u> day of ned the Purchaser during the preceding month.
. The Purchaser Agre	Security Sec		•
1. (Rates and livered in accordance w	Payment Date) To pay the rith the following schedule of	Seller, not late of rates:	er than the 15th day of each month, for water
	KXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX	%BXXXXXXX	estred volk Hotz Indonestrikk e kolikyk k k k k k k k k k k k k k k k k k k
b. xxxxxxx	xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx	xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx	хүүүчүү хүүүүү хүүүүү хүүүүү хүүүү хүүүү хүүүү хүүүү
naix szaik x	××××××××××××××××××××××××××××××××××××××	x segment	
c. <b>X</b> \$X <u>XXXX</u>	Жия <b>с</b> ки как и и и и и и и и и и и и и и и и и	esokomikaj XII	ASSUMPED XXXXXXXXXXXXXXXX BEHAUSE
Eighty-se	even (87) cents per	thousand (	gallons.
			PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE
			SEP 09 1994
			PURSUANT TO 807 KAR 5:011, SECTION 9 (1)
			BY: Orden C. Fael FOR THE PUBLIC 900 GC SHISSION
2. (Connecti	on Fee) To pay as an agree	ed cost, a conn	ection fee to connect the Seller's system with the system
			shall cover any and all costs of the Seller for installation
of the metering equipm	ent and reconditionin	g of existi	ng 8" well, replacement of one 15-hp highe pump, which shall not be considered a
entitling th	e Purchaser to any	ownershin	interest in the Seller's system.

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

- 1. (Term of Contract) That this contract shall extend for a term of \_\_\_\_40\_ \_years from the date of the initial de ry 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. (Delivery of Water) That \_ \_ 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 \$ 0.87/1000 gal. 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.
  - (Modification of Contract) That the provisions of this contract pertaining to the schedule of rates to be paid by

the Purchaser for water delivered are subject to modification at the end of every one 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. The calculation of the costs of performance shall be based on the Computation of Water Rates, attached hereto as Attachment "A".

6. (Regulatory Agencies) That this contract is subject to such rules, regulations, or laws as may be applicable

to milar agreements in this State and the Seller and Purchaser will collaborate in obtaining such permits, certificates, or the

is 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 occurence 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,
- 9. (Pledge of Contract) This contract is pledged to the Farmers Home Administration as part of the security for a loan to be made by the Farmers Home Administration to the purchaser.

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PURSUANT TO 807 KAR 5:011.

to be duly executed in	counterparts, each of which shall constitute an original.
	Seller: City of Brandenburg
	By N. Scatty Appligation
Attest Once Secretary	Title Mayor
V	Purchaser:
	Meade County Water District
	By Herry A Thirting
Attest:  Melin // Ex- Secretary	Title Chairman
This contract is approved on behalf of t	he Farmers Home Administration thisday of
19 ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	
•	Ву

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

BY: Gordon C. Freel FOR THE PUBLIC ST.

#### ATTACHMENT "A"

#### COMPUTATION OF WATER RATES

## I. Estimated Water Consumption:

	Gallons per Day	Percent of Production
City of Brandenburg Meade County Water District	265,000 75,000	78% 22%
	340,000	100%
Water District Consumption per year:	23,375,000 gallo	ons

# II. Estimation of Salaries & Benefits:

1983 expenses to City of Brandenburg for salaries and benefits for water and sewer systems

Percent attributable to water system

Salaries and benefits attributable to water system

III. Estimation of Production Costs:

See Attached Sheet

\$72,000

X 66.7%

\$48,000

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

BY: Condan C Fine

	Projected Costs Water District	\$ 9,649,00 877,00	2,761.00	5,517.00	195.00	413.00	38,00	415.00	00.	322.00	330.00	1,119.00	1,201.00	465.00	27.00	\$ 23,690.00
	Projected Costs City of Brandenburg	\$ 48,911.00 7,890.00	9,861.00	19,494.00	1,105.00	2,254.00	209.00	1,472.00	2,889.00	1,754.00	1,170.00	3,966.00	4,258.00	1,635.00	92.00	\$ 108,251.00
oduction Costs	Projected Expenses with Water District	\$ 58,560.00 8,767.00	12,622,00	25,011.00	1,300.00	. 2,667.00	247.00	1,887.00	2,889.00	2,076.00	1,500.00	5,085.00	5,459.00	119.00	2,100.00	\$131,941.00
Second Production Costs		M TNAU FOBS	10,346.00	19,494.00	817.00	2,381.00	247.00	1,715.00	2,889.00	2,076.00	00	5,085.00	5,459.00	119.00	1,635.00	\$110,321.00
76	FFECTIVI	3. d38						e)								
KA WWIESTON	KEMINCE CO	Salaries/ Benefits <b>66</b> Line Supplies	ر د س	Utilities	Truck Expense	Insurance and Bonds	Telephone	Equipment Maintenance	Meter Repairs	Professional Fees	Tank Maintenance	Depreciation *	Principal & Interest #	Miscellaneous Expense	Corps of Engineers	TOTALS:

Depreciation is based on 40 year life of plant and wells and 60 year life on the 250,000 gallon elevated storage tank. Straight line depreciation method was used with no salvage value.

Principal and interest is figured for 1963 bond issues on the tank and connecting lines.

Cost of added production of 75,000 gallons per day (27,300,000 gallons per year) for the Water District is \$23,690.00. cents per 1000 gallons of water purchased The Water District therefore agrees to pay the City of Brandenburg 87. (\$23,690.00 = .868)