

CONTRACT

This contract and agreement, executed on the 15 day of June, 1977, by and between City of Scottsville, Kentucky, City-County Building, Scottsville, Kentucky 42164, a fourth class city of the Commonwealth of Kentucky per KRS 81.010(4), hereinafter referred to as the seller, and the Allen County Water District, Route 4, Scottsville, Allen County, Kentucky 42164, hereinafter referred to as the purchaser.

The premises considered, and for other good and adequate consideration, the receipt and sufficiency of which is hereby acknowledged by the parties, and in further consideration of the mutual agreements, covenants and undertakings hereinafter set forth, the seller and purchaser hereby agree as follows as an addendum to a water purchase contract between the parties hereto dated the 26 day of May, 1977:

1. Reference Paragraph B4 of the aforesaid water purchase contract between the seller and purchaser, it is mutually agreed that water rates for new service areas shall be the same as those areas in service pursuant to the aforesaid contract, subject however to the provisions of Paragraph C5 of the aforesaid water purchase contract. It is mutually recognized that successful operation of the purchaser will depend upon planned and potential future growth of its system. The provisions of this contract and agreement are based on the plans and projections as hereinafter set forth.

2. Step I: (Initial Phase)

A. Thirty-two initial users individually metered from the seller's twelve-inch water main.

B. Thirty-one resident users and one commercial user (the Bailey's Point facility).

C. Immediate revenue to Scottsville:

(1) Thirty-two resident users at \$48.00 per year for a total of \$1,536.00 per year.

SEP 1980
PUBLIC SERVICE COMMISSION
OF KENTUCKY
PUBLIC SERVICE COMMISSION MANAGER

(2) Sixty-three resident customers and one commercial customer using 3,632,000 gallons per year (3,632,000 gallons X .20¢ profit per 1000 gallons equals \$726.00 per year).

(3) The total immediate net revenue from (1) and (2) above is \$2,262.00 per year.

3. Connection fees for new service areas in excess of actual costs incurred or created shall be applied to the balance due on the purchaser's \$175,000.00 obligation for seller's twelve-inch main.

4. It is further mutually agreed that when annual payments to the seller by the purchaser reach an amount sufficient to pay debt service on the sum of \$175,000.00, water rates shall be reduced to a rate that will maintain a \$10,000.00 annual payment to the seller.

5. Step II: (Old 31-E Growth Potential)

A. Sixty-eight additional individually metered users on the twelve-inch main.

B. Sixty-eight users X \$48.00 equals \$3,254.00 additional revenue for seller each year.

C. Total Step I and Step II, net revenue to the seller equals \$5,526.00 per year.

6. Step III: (System Potential)

Growth, by addition of new service areas, to five hundred fifty rural users should add 2.2 million gallons of water per month for added revenue to the seller of 550 users X 4000 gallons per month X 12 months X .20¢ equals \$5,280.00 per year. Total revenue from Step I, Step II and Step III for the seller equals \$10,806.00 per year.

7. It is further mutually recognized that the requirement for an adequate potable supply of water for rural Allen County is immediate and urgent, and that successful implementation of these plans will benefit all residents of Allen County.

PUBLIC SERVICE COMMISSION

SEP 1988

TURBULENCE / KAP 5 011

IN WITNESS WHEREOF, this contract and agreement has been executed by the duly authorized officers of the seller and purchaser on the day and year first above written.

J. W. Jackson
Mayor, City of Scottsville

Attest:

Edith Parrish
City Clerk

O. T. Yates Jr.
Chairman, Allen County Water District

Attest:

David A. Read
Secretary

PUBLIC SERVICE COMMISSION
OF KENTUCKY
REVOLVED

SEP 1939

THESE DOCUMENTS HAVE BEEN
FILED IN 1939
BY John H. Miller
PUBLIC SERVICE COMMISSION MANAGER