

WATER PURCHASE CONTRACT

This contract for the sale and purchase of water is entered into as of the 10th. day of October 67, between the City of Bardstown, Kentucky, hereinafter referred to as the "City" and the North Nelson Water District, hereinafter referred to as the "District".

W I T N E S S E T H :

WHEREAS, the District has been organized and established under the provisions of KRS of the Code of Chapter 74, 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 District and to accomplish this purpose, the District will require a supply of treated water, and

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

WHEREAS, by ~~Ordinance No.~~ _____ (~~or Resolution No.~~ Motion _____) enacted on the 10th. day of October 67 by the Council (or Board of Trustees, or other designated governing body) of the City, the sale of water to the District in accordance with the provisions of the said Ordinance (or Resolution) was approved,

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

SEP 22 1984

PURSUANT TO 807 KAR 5011,
STATIC (P)

BY: _____
FOR THE _____

and the execution of this contract carrying out the said Ordinance (or Resolution) by the Mayor (or other designated official), and attested by the Secretary (or other designated official), was duly authorized, and

WHEREAS, by resolution of the Board of Directors (or Board of Commissioners, or other designated governing body) of the District, enacted on the _____ day of _____, 19____, the purchase of water from the City in accordance with the terms set forth in the said Resolution was approved, and the execution of this contract by the President (or Chairman, or other designated official), and attested by the Secretary (or other designated official), was duly authorized;

NOW, THEREFORE, in consideration of the foregoing and the mutual agreements hereinafter set forth,

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

A. THE CITY AGREES:

SEP 22 1984

1. (Quality and Quantity) To furnish the District, 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 State Board of Health (or other cognizant agency) in such quantity as may be required by the District (not to exceed 1,250,000 gallons per month or 15,000,000 gallons per year).

PURSUANT TO 807 KAR 5011,
SECTION 2(1)

BY: _____
FOR THE _____

2. (Point of Delivery and Pressure) That water will be furnished at The City Systems normal pressure, from existing 8 inch mains at points located at The Ends of The City's Mains on Ky. Highway # 245 and U. S. Highway # 31E.

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

3. (Billing Procedure) To furnish the appropriate official of the District, at Cox's Creek, Kentucky, not later than the 5th day of each month, with an itemized statement of the amount of water furnished the District during the preceding month.

B. The District Agrees:

1. (Rates and Payment Date) To pay the City, not later than the 15th day of each month, for water delivered in accordance with the following schedule of rates:

- a. \$3.25 for the first 3,000 gallons (or a like sum) as a minimum rate per month.
- b. Next 22,000 gal. @ \$0.50 per 1,000 gal.
- c. Next 25,000 gal. @ \$0.40 per 1,000 gal.
- d. All over 50,000 gal. @ \$0.35 per 1,000 gal.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

SEP 22 1994

PURSUANT TO 807 KAR 5.011.
SECTION 11.1

2. (Metering Equipment) To furnish, install, operate and

maintain at its own expense at the points 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 District and to calibrate such metering equipment whenever requested by the City but not more frequently than once every twelve (12) months. A meter registering not more than two percent (2%) above or below the test result shall be deemed to be accurate.

The previous readings of any meter disclosed by test to be inaccurate

shall be corrected for the 12 months previous to such test in accordance with the percentage of inaccuracy found 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 City and District shall agree upon a different amount. The metering equipment shall be read on the 25th of each month.

3. (Connection Fee) None.

C. It is further mutually agreed between the City and the District as follows:

1. (Terms of Contract) That this contract shall extend for a term of Forty years from the date of the initial delivery of any water by the City to the District and, thereafter may be renewed or extended for such term, or terms, as may be agreed upon by the City and District.

2. (Delivery of Water) That 30 days prior to the estimated date of completion of construction of the District's water supply distribution system, the District will notify the City in writing the date for the initial delivery of water.

3. (Water for Testing) When requested by the District the City 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 District during construction, irrespective of whether the metering equipment has been installed at that time, at a flat charge of \$200.00 which will be paid by the contractor or, on his failure to pay, by the District.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

SEP 22 1994

PURSUANT TO 807 KAR 5.011,

SECTION 2(1)

BY: _____

4. (Failure to Deliver) That the City 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 District with quantities of water required by the District. 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 City is otherwise diminished over an extended period of time, the supply of water to District consumers shall be reduced or diminished in the same ratio or proportion as the supply to City consumers is reduced or diminished.

It is specifically understood and agreed that the City of Bardstown will not be liable for any claim for damages of any type by the Water District or any of its customers, for failure to deliver water for any cause whatsoever, except refusal to do so while the contract is in existence; and the North Nelson Water District Agrees to hold the City harmless from any and all claims whatsoever by customers of the District for failure to deliver water for any cause whatsoever except actual refusal to do so while the contract is in existence.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

SEP 22 1994

5. (modification of Contract) That the provisions of this contract pertaining to the schedule of rates to be paid by the District for water delivered are subject to modification at the end of every five (5) 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 City system except such capitalization as is necessary for the storage, production or filtration of water, but not based on any

PURSUANT TO 807 KAR 5011.

SEP 22 1994

BY: _____

capitalization of the City in extending the City's own distribution lines.

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

7. (Miscellaneous) In the event that the construction of the water supply distribution system by the District is financed by a loan from the United States of America, acting through the Farmers Home Administration of the United States Department of Agriculture, the provisions hereof pertaining to the undertakings of the District are conditioned upon the approval, in writing, of the State Director of Kentucky, of the Farmers Home Administration. Similarly, any modification of the provisions of this contract including any increase in the schedule of rates to be paid by the District for the delivery of water shall be conditioned upon the prior approval, in writing, of the State Director of Kentucky, of the Farmers Home Administration.

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

9. It is agreed that the Southern boundary line of the North Nelson Water District on U. S. Highway # 31E is at the point of intersection of the Old Access Road to Nazareth College with the City retaining the right to extend their mains to the New Access Road to

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

SEP 22 1994

PURSUANT TO 807 KAR 5.011,
SECTION 2(1)

BY: *[Signature]*
FOR THE

Nazereth College for water service to the College.

It is agreed that the Southern Boundary Line of the Water Service Area of the District at Ky. Highway # 245 begins at a point approximately 800 ft. south of the intersection of the Irvine Road with Ky. Highway # 245, said point being at the end of the City's existing 8" water main.

It is further agreed that this contract is automatically terminated and invalid if the District does not begin construction on or before July 1, 1970.

IN WITNESS WHEREOF, the parties hereto acting under authority of their respective governing bodies have caused this contract to be duly executed in three counter parts each of which shall constitute an original.

CITY OF BARDSTOWN, KENTUCKY

BY: [Signature]
MAYOR

NORTH NELSON WATER DISTRICT

BY: [Signature]
CHAIRMAN, BOARD OF COMMISSIONERS

ATTEST:

[Signature]
CITY CLERK

ATTEST:

[Signature]
SECRETARY, NORTH NELSON WATER DISTRICT

This contract is approved on behalf of the Farmers Home Administration
this _____ day of _____, 1967. PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE

SEP 22 1994

STATE DIRECTOR OF KENTUCKY PURSUANT TO 807 KAR 5.011, SECTION 2(1)

BY: [Signature]
FOR THE PEOPLE OF KENTUCKY