

WATER PURCHASE CONTRACT

The Contract made and entered in to by and between the **NORTH MARSHALL WATER DISTRICT**, (DISTRICT), Marshall County, Kentucky, and the **CITY OF BENTON**, (CITY), Marshall County, Kentucky.

WITNESSETH

WHEREAS, the District is a Water District chartered and existing under the laws of the Commonwealth of Kentucky and operates a water distribution system serving water users within Marshall County, Kentucky, and desires to procure an alternate source of water for distribution to its users should it have need for same, and

WHEREAS, the City, a City of the 4th Class, owns and operates a water distribution system in Marshall County and wishes to procure an alternate service of water for distribution to its user, should it have a need for same; and

WHEREAS, by Resolution enacted on the 15th day of January, 2008, by the North Marshall Water District, the purchase and/or sale of water to the City of Benton in accordance with the provisions of this Contract was approved by the Board of North Marshall Water District and the execution of this contract carrying out the said resolution by the Chairman and Secretary was duly authorized; and

WHEREAS, by Resolution enacted on the 13 day of March, 2008, by the City of Benton for the purchase and/or sale of water from North Marshall Water District in accordance with the terms set forth in this Contract was approved by the City Council of the City of Benton, Kentucky, and the execution of this Contract by the Mayor and City Clerk was duly authorized.

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10/8/2008
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)**

By Stephanie Rumber
Executive Director

NOW, THEREFORE, IN CONSIDERATION OF THE FOREGOING and the mutual agreements hereinafter set forth,


A. EACH PARTY AGREES:

1. Quality and Quantity. To furnish at a point of delivery herein specified, during the term of this Contract or any renewal or extension thereof, portable treated water meeting applicable purity standards of the Kentucky Division of Water Quality in such quality as may be required, but not to be in excess of the capacity each entity may have for its existing customers. Each Party shall provide the other with notice in advance of its intent to procure water from the other under the provisions of this agreement.

2. Point of Deliver and Pressure. That water will be furnished at a reasonably constant pressure by both Parties. The connecting point will be at an existing 6 inch water main supply belonging to North Marshall Water District, this being located approximately 100' South of the right of way of the intersection of U. S. Highway 641 and the South line of the Marvin Prince property (Deed Book 142, page 366). Emergency failures of pressure or supply due to main line breaks, power failures, flood, fire, use of water to fight fire, earthquake or other catastrophe shall excuse either Party from this provision for such period of time as shall be necessary to restore the service.

3. Metering Equipment. The City of Benton will furnish, install, operate and maintain, at the point of delivery all fittings, meter and building required for connection of the two facilities which shall be and remain the property of the City, commencing at the valve at North Marshall Water District 6" water main. The metering equipment will be tested, but not more frequently than once every twelve (12) months, with that expense to be shared equally by the Parties. A meter registering not more than two percent (2%) above or below the test result

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shall be deemed to be accurate. If any meter fails to register for any period, the amount of water furnished will correspond with the period immediately prior to the failure, unless both Parties shall agree upon a different amount.


4. Billing Procedures. The meter shall be read between the 1st and 5th of each month, by a representative of the Party furnishing the water to the other, and if a representative of the receiving Party wishes to be present at the time the meter is read, it shall let the other Party know by the 30th of each month. The Party furnishing water shall provide the other an itemized statement of the amount of water bough or sold during the preceding month.

5. Rates and Payment Date. The City agrees to pay no later than the 5th day of the following month, for water delivered in accordance with this agreement, the approved tariff for each 1,000 gallons of water furnished or as said tariff may be adjusted periodically in any general rate increased approved by the Public Service Commission. There shall be no minimum rate per month when water is not being used. North Marshall Water District agrees to pay no later than the 5th day of the following month for water delivered to it in accordance with this agreement, the wholesale rate Benton charges for each 1,000 gallons of water furnishes to its wholesale customers and as may be adjusted periodically in any general rate increase made pursuant to its Contract with the City of Hardin, Kentucky.

B. IT IS FURTHER MUTUALLY AGREED BETWEEN BOTH PARTIES AS FOLLOWS:

1. Term of Contract. That this Contract shall extend for a term of five (5) years from the date of the signing of this Contract, thereafter shall be automatically renewed or extended for such term or terms, unless terminated by one of the Parties, pursuant to paragraph 4 hereof.

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2. Connection Charge. There shall be no connection charge for either of the Parties associated with this Contract.

3. Modification of Contract. The provision of this Contract pertaining to the schedule of rates to be paid by either Party for water delivered are subject to modification at the end of every one (1) year period. Any increase or decrease in rates may be subject to the approval of the Public Service Commission, and will be based on the increase or decrease in the cost of performance hereunder, but such cost shall not include capitalization of either Parties' system. All other provisions of this Contract may be modified or altered by mutual agreement.

4. Termination Provision. Each Party reserves the exclusive right to terminate this Contract for just cause upon giving written notice of ninety (90) days in advance of the date of termination. Notice of termination by the City shall be in writing sent to the Chairman of the Water District. Notice of termination by the District shall be in writing sent to the Mayor of the City.

5. Regulatory Agencies. This Contract is subject to all rules, regulations and laws as may be applicable to similar agreements in this State.

6. Replacement of 4" line. Benton agrees that during the construction of its line, it will replace that portion of North Marshall's line which is 4" in diameter and which is located south of the Marvin Prince property, and North Marshall agrees to pay for the cost of any materials and the labor required for the replacement of the 4" line at that location. North Marshall shall be responsible for making the tap for the water line that will serve The Cedar's Subdivision, and this tap shall be placed on North Marshall's side of that meter that is to be installed at the point the parties' systems interconnect.

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

NORTH MARSHALL WATER DISTRICT

BY: B.W. Darnell
CHAIRMAN

ATTEST:
Brad Anderson
MANAGER

CITY OF BENTON

BY: Steve Cary
STEVE CARY, MAYOR

ATTEST:

MANAGER

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By Stephanie Hunter
Executive Director

**RESOLUTION APPROVING A CONTRACT FOR SALES/
PURCHASE OF WATER WITH THE CITY OF BENTON**

Be it resolved that the Board of Directors of the North Marshall Water District hereby approves and consents to the Chairman and Manager signing the Water Purchase Contract with the City of Benton, a copy of which is attached hereto incorporated by Reference.

This 13 day of March, 2008

B.W. Darnell
Chairman

Attest:

Brad Anderson
Manager

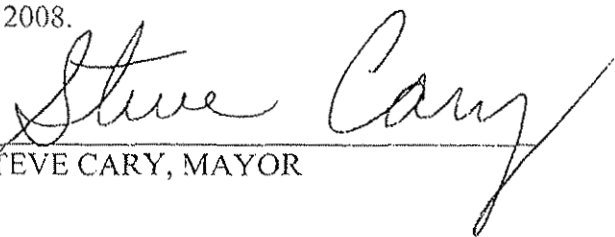
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By Stephanie Dumbro
Executive Director

**RESOLUTION APPROVING A CONTRACT
FOR THE SALE/PURCHASE OF WATER WITH
NORTH MARSHALL WATER DISTRICT**

BE IT RESOLVED that the City Council of the City of Benton, KY hereby approves and consents to the Mayor and City Clerk signing that Water Purchase Contract with the North Marshall Water District, a copy of which is attached hereto and incorporated by reference.

This the 15 day of January, 2008.



STEVE CARY, MAYOR

ATTEST:



MICHELE EDWARDS

COUNCIL MEMBERS VOTING

	<u>AYE</u>	<u>NAY</u>
GLEN BREWER	✓	_____
TIM KING	✓	_____
CHARLES EDMONDS	✓	_____
KENTON HOLLAND	✓	_____
MICKEY SIRLS	✓	_____
RITA DOTSON	✓	_____

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By 

Executive Director