

AUG 15 1994

PUBLIC SERVICE
COMMISSION

SEP 02 1994
CONTRACT
PURSUANT TO 807 KAR 5.011.
SECTION 9(1)

EDDIE
No. PFL Ky-185

This Contract, made and entered into this 11th day of ~~JULY~~ AUGUST 1994, by and between the City of Eddyville, a Kentucky Municipal Corporation located in Lyon County, Kentucky, and hereinafter referred to as "Eddyville" and the City of Fredonia, a Kentucky Municipal Corporation located in Caldwell County, Kentucky, and hereinafter referred to as "Fredonia";

WITNESSETH

Whereas, Fredonia is contemplating the construction of a municipal water distribution system, and is desirous of purchasing potable water from Eddyville, and

Whereas, Eddyville presently has water treatment facilities of such capacity as to supply both its present needs and those of Fredonia;

Now Therefore, it is mutually agreed by and between the parties hereto as follows.

1. Eddyville agrees to sell water to Fredonia and Fredonia agrees to purchase water from Eddyville subject to the terms, conditions and provisions hereinafter set forth.
2. It is mutually agreed that the point of delivery of said water shall be at Point "B" on Exhibit No. 1, hereto attached, and that Eddyville shall have full rights and responsibility for operation of the system south of said point, and Fredonia have full rights and responsibility for operation of all mains north of said point, each without regard for the other.
3. Fredonia will design and construct at no cost to Eddyville on a right-of-way to be provided by Eddyville at no cost to Fredonia approximately 7,000 lineal feet of water main of 8 inch, 6 inch and 4 inch diameter from Point "A" to Point "B" on said Exhibit No. 1. Eddyville will have the right to inspect and approve the design and construction.
4. After completion of said water main from Point "A" to Point "B", and acceptance by Eddyville, full title to same shall be vested in Eddyville, provided however, if this agreement is terminated by Eddyville through no fault of Fredonia within 20 years from the date of this agreement. Eddyville shall refund to Fredonia the full cost of construction of said main, less 5% of the cost for each year or portion thereof that this contract has been in effect.
5. After acceptance thereof, Eddyville shall operate, and maintain said portion of said water main at no cost to Fredonia,

and shall have the right to make taps, extensions, adjustments, replacements on abandonments, as it deems necessary in the course of operating its water system.

6. Fredonia will design, construct and maintain at its own expense at Point "B" on said Exhibit No. 1, subject to Eddyville approval, a Master Meter, including necessary flow control valve, meter house, and other required appurtenances, to accurately determine the amount of water delivered by Eddyville to Fredonia under this agreement.

7. Eddyville will read the meter for record purposes on a date as near the last day of the month as practicable, and shall keep an official record thereof, along with the other Water Department records at the City Hall, where same may be inspected by Fredonia at any reasonable time.

8. Fredonia shall calibrate said Master Meter when requested in writing by Eddyville to do so in the presence of a representative of Eddyville and the parties shall jointly observe any adjustments which are made to the meter in case any adjustments shall be necessary. If the meter is found to be in satisfactory condition, the cost of such calibration or testing made at the request of Eddyville shall be paid by Eddyville, but if the meter is not in satisfactory condition, such expense shall be paid by Fredonia. If Eddyville shall request Fredonia in writing to calibrate said meter and Fredonia shall give Eddyville notice of the time when any such calibration is to be made and if a representative of Eddyville is not present at the time set, Fredonia may proceed with such calibration and adjustment in the absence of a representative of Eddyville.

If either party at any time observes an error in the Master Meter, such party will promptly notify the other party in writing, and the parties hereto shall then cooperate to secure an immediate calibration test and said meter shall then be adjusted to accuracy.

9. Eddyville will render a bill to Fredonia on or about the first day of the month for the quantity of water received during the preceding month, and Fredonia will make payment to Eddyville of the billed amount within 15 days from date of the bill.

10. If for any reason, said bill is not paid within said 15 days, Fredonia shall pay a service charge (or penalty) of 10% of the amount of the bill; and further, if said bill is not paid within 45 days from its date, Eddyville shall have the right after 3 days written notice to the Mayor of Fredonia to discontinue service to Fredonia by closing the valve at Point "B" on Exhibit No. 1.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

SEP 02 1994

PURSUANT TO 807 KAR 8011,
SECTION 9 (1)

BY: *Jordan*
FOR THE PUBLIC

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11. Fredonia shall pay Eddyville for said water at the rate of twenty cents (\$0.20) per thousand gallons for all water delivered through the Master Meter, and no water shall be furnished except through said meter. Beginning at a date six months from the date the connection is made at Point "A" on said Exhibit No. 1, Fredonia shall pay a minimum bill of \$100.00 per month regardless of the amount of water delivered.

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12. It is understood that the above specified rate shall be increased or decreased proportionately with Eddyville's general rates, however, any such increase or decrease will not become due against Fredonia for 90 days after effective date for Eddyville's individual customers.

13. It is further understood that Eddyville does not agree to furnish to Fredonia more than 80,000 gallons in a twenty hour period, or more than 1,800,000 gallons per month at the above rate. In the event that Fredonia desires a larger quantity, the rate as herein established shall be subject to re-negotiation.

14. This contract shall be for a term of 40 years from this date, however, Fredonia shall have the right to establish another source of supply of water and if it be established and connected with Fredonia's distribution system, this contract shall then expire and Eddyville shall not be under any further obligation whatsoever to Fredonia, and the latter shall not be thereafter under any obligation to purchase any water from Eddyville. Should Fredonia establish another source of supply, then Fredonia shall give Eddyville a written notice two years prior to the date on which this contract shall expire. Any such notice to Eddyville shall be properly delivered if sent by U. S. Registered Mail, postage prepaid, addressed to the City of Eddyville, Kentucky.

15. Eddyville shall not be liable to Fredonia or any of its customers by reason of the failure of supply due to unforeseeable causes beyond the control and without the fault or negligence of Eddyville, including but not limited to, acts of God, or of the public enemy, war, acts of the Government, fires, floods, epidemics, quarantine restrictions, etc.

16. Fredonia shall at all times be subject to the rules and regulations now in effect or that may hereafter be established as to the furnishing of water to the citizens of Eddyville, except as otherwise set forth in this contract.

IN WITNESS WHEREOF Eddyville and Fredonia have executed this agreement in triplicate as of the date first above written.

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE

ATTEST:
[Signature]

CITY OF EDDYVILLE SEP 02 1994

By *[Signature]*, Mayor PURSUANT TO 807 KAR 5.014, SECTION 9(1)

ATTEST:
[Signature]
Clerk

CITY OF FREDONIA BY: *[Signature]* Mayor FOR THE PUBLIC SERVICE COMMISSION