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EXHIBIT A

WATER PURCHASE CONTRACT

THIS CONTRACT for the sale and purchase of water is entered into as of the 28 day of June, 1973, by and between the CITY OF HOPKINSVILLE, KENTUCKY, acting by and through its duly authorized agency, THE HOPKINSVILLE SEWERAGE AND WATER WORKS COMMISSION, hereinafter referred to as the "Seller", and CHRISTIAN COUNTY WATER DISTRICT, c/o D. T. Porter, Chairman, Route No. 1, Gracey, Kentucky, 42232, hereinafter referred to as the "Purchaser".

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W I T N E S S E T H :

Whereas, the Purchaser is organized and established under the provisions of Chapter 74 of the Code 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 Resolution No. 100 enacted on the 27TH day of June, 1973, by the Seller, the sale of water to the Purchaser in accordance with the provisions of the said Resolution was approved, and the execution of this contract carrying out the said Resolution by the Chairman and attested by the Secretary, was duly authorized, and

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PURSUANT TO 807 KAR 5011, SECTION 9(1)

BY: [Signature] FOR THE PURCHASER

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Whereas, by Resolution of the Commission of the Purchaser, enacted on the 14th day of October, 1973, 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 Chairman, and attested by the Secretary was duly authorized;

Now, therefore, in consideration of the foregoing and the mutual agreements hereinafter set forth,

A. The Seller Agrees:

1. (a) (Quality and 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 Department of Health, Commonwealth of Kentucky, in such quantity as may be required by the Purchaser not to exceed 7,000,000 gallons per month.

(b) The Seller agrees to furnish potable water to the Purchaser and to operate and maintain the waterworks system of the Seller within contractual volumes and rates at the respective metering points as follows:

<u>METERING POINTS (ZONES)</u>	<u>CONTRACTUAL VOLUMES (MAXIMUM)</u>
(1) Zone A, which is the U.S. 41 North location. <i>CONNECTION MADE 4/4/77</i>	Three Hundred (300) Gallons per minute
(2) Zone B, which is the Princeton Road location. <i>CONNECTION MADE - 7/3/79</i>	Two Hundred Fifty (250) Gallons per minute
(3) Zone C, which is the Virginia Street or Kentucky 107 South location.	Two Hundred Fifty (250) Gallons per minute
(4) Zone D, which is the Pembroke Road location. <i>CONNECTION MADE 9/14/83</i>	Three Hundred Fifty (350) Gallons per minute

(c) Whenever (1) the monthly water needs of the District exceed Seven Million Gallons (7,000,000) per month, or (2) at the expiration of the initial five (5) year period and each subsequent three (3) year period of the effectiveness of the Contract, whichever occurs first, the rate together with establishment of a maximum monthly water need of the District shall be renegotiated by the parties.

(3) Zone C, which is the Greenville Road or Kentucky 107 North location

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2. (Point of Delivery and Pressure) That water will be furnished at a reasonably constant pressure at the metering points from existing various sized mains. If a greater pressure than that normally available at the point of delivery is required by the Purchaser, the cost of providing such greater pressure shall be borne by the Purchaser. Emergency failures of pressure or supply due to main supply line breaks, power failure, flood, fire and the use of water to fight fire, earthquake or other catastrophe shall excuse the Seller from this provision for such reasonable period of time as may be necessary to restore service.

3. (Metering Equipment) To furnish, install, operate, and maintain at its own expense at point 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 Purchaser and to calibrate such metering equipment whenever requested by the Purchaser 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 two 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 Seller and Purchaser shall agree upon a different amount. The metering equipment shall be read on or about the 15th of each month. An appropriate official of the Purchaser at all reasonable times shall have access to the meter for the purpose of verifying its readings.

4. (Billing Procedure) To furnish the Purchaser at the above address not later than the 25th day of each month, with an itemized statement of the amount of water furnished the Purchaser during the preceding month.

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SECTION 9(1)

BY: *[Signature]*
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B. The Purchaser Agrees:

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

(a) Water shall be sold by the Seller to the Purchaser, at a price of forty-one cents (41¢) per thousand gallons for the initial five (5) year period, and Purchaser guarantees to the Seller that Purchaser shall pay a minimum of Two Hundred Fifty Dollars (\$250.00) per month for each master meter connection at the four metering points or zones listed above.

(b) The Purchaser shall pay to the Seller the sum of Sixty Thousand Dollars (\$60,000.00) as a tap-on fee or connection fee for connecting to the waterworks system of the Seller, plus the sum of Sixty-Six Hundred Dollars (\$6,600.00) for the costs of furnishing and installation of metering facilities at the four locations or zones listed above, which fee entitles the Purchaser to purchase water from the Seller at such respective points.

2. Prior to the advertisement by the Purchaser for construction bids for the construction of a new waterworks system for the Purchaser, a copy of the final plans and specifications for such proposed waterworks system will be submitted to the Seller for review and file by the Seller. Within 60 days after initial construction of the system is complete, the Purchaser shall furnish to the Seller (1) two copies of the "as Built" drawings, (2) one copy of equipment shop drawing and parts lists, plus (3) one copy of operating maintenance instructions, and such items will further be furnished by the Purchaser to Seller upon completion of any subsequent improvements to the system of the Purchaser.

3. In the event that the Purchaser's system is not operational within five years from the date of execution of the Water Purchase Contract, such Water Purchase Contract shall be automatically terminated and shall be cancelled and void, whereupon neither of the parties shall have any rights against the other in connection therewith.

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BY: *[Signature]*
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C. It is further mutually agreed between the Seller and the Purchaser as follows:

1. (Term of Contract) The term of this Contract shall be for a period of twenty (20) years, beginning on that date on which Purchaser has completed and has ready for use its distribution system and the Purchaser is hereby granted an option to renew or extend this Contract for an additional term of twenty (20) years, commencing at the end of the original term aforesaid, no notice of extension is required to be given.

2. (Delivery of Water) That 30 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 41¢ per 1,000 gallons which will be paid 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.

* 5. (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

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end of five years from the signing of this Contract and each subsequent three year period. Any increase or decrease in rates shall be based on a demonstrable increase or decrease in the costs of performance hereunder as set out in the formula described later in the Contract. Other provisions of this Contract may be modified or altered by mutual agreement.

6. (Regulatory Agencies) That this contract is subject to such rules, regulations, or laws as may be applicable to similar agreements in this State and the Seller and Purchaser will collaborate in obtaining such permits, certificates, or the like, as 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 occurrence rendering the Purchaser incapable of performing under this Contract, any successor of the Purchaser, whether by operation of legal process, assignment, or otherwise, shall succeed to the rights of the Purchaser hereunder.

9. This Contract contemplates that the water rate paid by the Purchaser to the Seller, for the initial period of at least five (5) years, from the date of the signing of this Contract, shall be at the price of 41¢ per 1,000 gallons, subject to revision thereafter as specified herein; and the parties recognize, acknowledge and certify that such rate will produce revenues which is not less than the cost to the Seller for supplying such service. Said initial price of 41¢ per 1,000 gallons shall not be subject to change prior to the expiration of said five year period.

The provisions of this Contract pertaining to the rate to be paid by the Purchaser for water delivered are subject to modification at the end of five (5) years from the date of the signing of this contract, and on each three (3) year anniversary date thereafter.

Any adjustment in rate will be based upon and will reflect an adjustment either upward or downward of the cost as determined by the factors hereinafter specified, from the beginning date referred to above.

The "cost" specified in this Section is hereby defined as the sum of the following elements of "operating expenses" of the "Sewerage and Water Works Commission and Water Department" as listed in the sellers annual audit:

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- a. Source of Supply
- b. Power and Pumping
- c. Purification
- d. Distribution (Exclusive of cost ~~Directly~~ chargeable for Meters, Services, Fire Hydrants and Gasoline, Oil, Tires, etc. - Tractor and Compressor)
- e. Forty per cent of Administration and General
- ✓ f. The average principal and interest on the bonded indebtedness plus the fifty per cent parity revenue requirement.

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The sum so determined shall then be divided by the total number of gallons of water "sold and accounted for" by the Seller for the calendar year covered by the annual audit to determine said cost per thousand gallons to the Purchaser. The rate so charged shall be subject to adjustment either upward or downward when the afore-said cost shall vary more than 5% more or less than the charge then in effect. Said adjustment shall be determined from the figures shown in the annual audit of the Seller. If an adjustment is determined to be in order, under the terms of this agreement, said adjustment shall go into effect on a date not more than three months after receipt of a completed audit by the Seller of the year following the calendar year covered by the audit. This formula shall be the sole source used in determining the rates for the sale of water to the Purchaser.

IN TESTIMONY WHEREOF, witness the duly authorized signatures of the parties as of the date first above written.

SELLER: CITY OF HOPKINSVILLE,
acting by and through its
Sewerage and Waterworks
Commission

BY *C. Kenneth Wood*
C. KENNETH WOOD

TITLE: Chairman

ATTEST:

Secretary

PURCHASER: CHRISTIAN COUNTY
WATER DISTRICT

BY *I. T. Porter*

TITLE: Chairman

ATTEST:

James Paul
Secretary

THIS CONTRACT is approved on behalf of the Farmers Home Administra-
tion this _____ day of _____, 1973.

BY _____

TITLE: State Director

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BY: *James Paul*
FOR THE PUBLIC SERVICE COMMISSION