

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

CITY OF LIBERTY  
LIBERTY, KENTUCKY  
MUNICIPAL ORDER  
NO. 86-MO-16

SEP 02 1994

PURSUANT TO 807 KAR 5.011,  
SECTION 9(1)

A MUNICIPAL ORDER AUTHORIZING MAYOR TO EXECUTE WATER PURCHASE CONTRACT

FOR THE PUBLIC SERVICE COMMISSION

\* \* \*

The City of Liberty does hereby order as follows:

SECTION I - That Malcolm Welford, as Mayor of the City of Liberty, is authorized and directed to execute, on behalf of the City of Liberty, the Water Purchase Contract between the City of Liberty and East Casey County Water District, a copy of which is attached hereto, incorporated herein, and made a part of this municipal order.

SECTION II - SEVERABILITY OF CLAUSES: All municipal orders or parts of municipal orders in conflict with this municipal order are hereby repealed, and if any part, section, subsection, paragraph or clause of this municipal order shall be held unconstitutional or otherwise invalid then only such section, subsection, paragraph or clause shall be voided and the remaining parts, sections, subsections, paragraphs and clauses hereof shall remain in full force and effect.

SECTION III - RECORD OF PASSAGE: Upon motion of John C. Greer, seconded by Benny Davis, 4 voting in favor, 0 voting against, 0 abstaining, the foregoing ordinance received reading and passage upon this 13 day of October, 1986.

Malcolm Welford  
Malcolm Welford, Mayor  
Attest Trena Cummins  
Trena Cummins, Clerk

I certify that this is a true and correct copy of the Municipal Order enacted by the City of Liberty on October 13, 1986.

Trena Cummins  
Trena Cummins, City Clerk

WATER PURCHASE CONTRACT

This contract for the sale and purchase of water is entered into as of the 5 day of September, 19 86, between the City of Liberty, City Hall, Liberty, Casey County, Kentucky 42539

(Address)

hereinafter referred to as the "Seller" and the East Casey County Water District, P. O. Box 306, Liberty, Casey County, Kentucky 42539

(Address)

hereinafter referred to as the "Purchaser",

WITNESSETH:

JAN 0 8 1986

Whereas, the Purchaser is organized and established under the provisions of Chapter 74 of the ~~XXXX~~ 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 Municipal Order No. \_\_\_\_\_ enacted on the \_\_\_\_\_ day of October, 19 86, by the Seller, the sale of water to the Purchaser in accordance

with the provisions of the said Municipal Order was approved, and the execution of this contract carrying out the said Municipal Order by the Mayor and attested by the Secretary, was duly authorized, and

Whereas, by Resolution of the Board of Commissioners of the Purchaser, enacted on the 8th day of September, 19 86,

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. (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 United States of America and the Commonwealth of Kentucky

in such quantity as may be required by the Purchaser not to exceed 150,000 gallons per month, day

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EFFECTIVE 442-30 (Rev. 4-19-72)

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BY: [Signature]  
FOR THE PURCHASER



2. (Connection Fee) To pay as an agreed cost, a connection fee to connect the Seller's system with the system of the Purchaser, the sum of \$89,000.00 dollars which shall cover any and all costs of the Seller for installation of the metering equipment and any and all other costs of the seller which may be classified as material or necessary to connect the sellers system with the purchasers system. This connection fee shall not be due and payable to the seller until such time as Farmers Home Administration transmits the loan money to East Casey County Water District.

C. It is further mutually agreed between the Seller and the Purchaser as follows:

1. (Term of Contract) That this contract shall extend for a term of 40 years from the date of the initial delivery of any water as shown by the first bill submitted by the Seller to the Purchaser and, thereafter may be renewed or extended for such term, or terms, as may be agreed upon by the Seller and Purchaser.

2. (Delivery of Water) That 10 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 meter charge of \$1.60 per 1,000 gallons of water ~~the charge of \$1.60 per 1,000 gallons of water~~ which will be paid by the contractor or, on his failure to pay, 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 end of every 1 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 Seller's system. 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 the result of legal process, assignment, or otherwise, shall succeed to the rights of the Purchaser hereunder.

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BY: Jordan C. Neal  
FOR THE PUBLIC SERVICE COMMISSION

In witness whereof, the parties hereto, acting under authority of their respective governing bodies, have caused this contract to be duly executed in duplicate counterparts, each of which shall constitute an original.

Seller:

City of Liberty

By

Malcolm Shelton

Title

Mayor

Attest:

Deena Cummings

Secretary

Purchaser:

East Casey County Water District

By

Charles A. Fox

Title

Chairman

Attest:

Robert Austin

Secretary

This contract is approved on behalf of the Farmers Home Administration this 21st day of January

19 87

By

James N. Little

Title

Community & Business Programs Specialist  
FmHA

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BY: James N. Little  
FOR THE PUBLIC SERVICE COMMISSION