

CONTRACT FOR PURCHASE
OF
TREATED WATER

THIS CONTRACT made and entered into this 9th
day of July, 1971, by and between The City of Eubanks, Kentucky,
hereinafter referred to as "Eubanks", a municipal corporation duly
organized and existing pursuant to the Acts of the General Assembly
of the Commonwealth of Kentucky, acting by and through its duly
authorized corporate officers, and Kentucky Water Service Company,
Inc., hereinafter referred to as "Water Company", a Kentucky corp-
oration acting pursuant to authority and direction heretofore granted
by its Board of Directors as its duly authorized and empowered
governing body;

WITNESSETH: That whereas, Kentucky Water
Service Company, Inc., is a Kentucky corporation engaged in the ac-
quisition, treatment and distribution and sale of pure and potable
water, and is presently serving the City of Somerset, Kentucky, and
the environs thereof (but not the area encompassed by the geographic
boundary of the City of Eubanks water distribution system and said
Water Company has adequate facilities and water capacity in and
about the area of Somerset, Kentucky, to sell treated water on a
substantial basis to said City, and whereas, the City of Eubanks,
Kentucky, has established a water distribution system for the purpose
of furnishing an adequate supply of pure and potable water for
domestic, culinary, agricultural, commercial and industrial use in
its district and the vicinity and environs thereof; and in carrying
out said objectives and purposes, said City will obtain proceeds
from individual contributions, from a grant of \$379,300.00 and from
a loan of \$436,000.00 from the Farmers Home Administration, a facility
of the United States Department of Agriculture, to be received from a

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PURSUANT TO 807 KAR 5011,
SECTION 9(1)

BY: Jacobson
FOR THE PUBLIC SERVICE COMMISSION

mortgage on plant facilities and pledge of certain revenues to the Farmers Home Administration payable over a period of forty (40) years from the date of said loan; and whereas, it is necessary prior to the execution of the aforesaid loan proceedings and mortgage in the sum of \$436,000.00 to the Farmers Home Administration that the City of Eubanks enter into a contract with said Water Company whereby said Water Company will agree to furnish adequate water to said City of Eubanks for a period of not less than forty (40) years, and it is therefore appropriate that this Contract now be consummated;

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants and undertakings herein described, the parties hereto covenant and agree, each with the other as follows:

Section 1. Kentucky Water Service Company, Inc., hereby covenants and agrees to sell to the City of Eubanks, Kentucky, a volume of pure treated water which shall not exceed Two Hundred Sixteen Thousand (216,000) Gallons per day (being a pumpage of 150 gallons per minute for a 24-hour period), the price of said water to be in accordance with the following schedule:

First	1,000 gallons used per month	\$3.25 (minimum)
Next	1,000 gallons used per month	1.05 per M gallons
Next	4,000 gallons used per month	1.00 per M gallons
Next	19,000 gallons used per month	.90 per M gallons
Next	25,000 gallons used per month	.80 per M gallons
Next	25,000 gallons used per month	.75 per M gallons
Next	25,000 gallons used per month	.65 per M gallons
Next	100,000 gallons used per month	.60 per M gallons
Next	200,000 gallons used per month	.50 per M gallons

Service will be supplied under Water Company's General Rules and Regulations, and subject to the present or future rates and Rules and Regulations as approved by the Public Service Commission of the State of Kentucky.

It is hereby acknowledged by the City of Eubanks, Kentucky, that 216,000 gallons of pure and treated water per day is adequate for the present and foreseeable needs of the City of Eubanks.

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BY: Jason [Signature]
FOR THE PUBLIC

The foregoing schedule of rates for treated water furnished by the Kentucky Water Service Company, Inc., is stated by the Water Company to be its approved, commercial schedule for treated water.

Section 2. City of Eubanks hereby covenants and agrees to cause to be constructed an adequate reception and meter facility to receive said purchased water from Water Company. Said reception and meter facility shall be constructed in full compliance with regulations, standards and requirements of the Kentucky State Health Department and other public agencies having regulatory jurisdiction thereof. Said reception and meter facility shall be constructed at a location to be designated on the McKee Road at its intersection with U. S. Highway #27, North of Somerset, Pulaski County, Kentucky, and which said location is consented to by Water Company.

It is agreed that the Water Company will furnish the master meter at the point of delivery of water to the City at the connection point above specified, and that the Water Company shall furnish, install, own and maintain said meter. The Water Company shall charge a minimum monthly rental for said meter according to the following schedule:

5/8 or 3/4 inch meter	\$ 3.25
1 or 1 1/4 inch meter	7.25
1 1/2 inch meter	13.25
2 inch meter	20.25
3 inch meter	54.00
4 inch meter	90.00
6 inch meter	180.00

Section 3. Temporary or partial failures to deliver water shall be remedied with all possible dispatch. In the event of

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BY: *Johnnie L. ...*
FOR THE PUBLIC

an extended shortage of water, or the supply of water available to the Water Company is otherwise diminished over an extended period of time, the supply of water to the City of Eubanks' customers shall be reduced or diminished in the same ratio or proportion as the supply to the Water Company's customers is reduced or diminished, except as otherwise provided by the Rules and Regulations of the Public Service Commission of Kentucky, where the statutes now or which might later be in effect in Kentucky.

Section 4. This contract shall remain in full force and effect for a term of forty (40) years from and after July 8, 1971, said expiration date being July 7, 2011. It is acknowledged by the parties hereto that July 7, 2011, will be the latest possible date of the final maturity of the loan to be executed by the City to the Farmers Home Administration; except that, if by reason of a delay in executing the said loan proceedings and mortgage, the date of the same is later, this agreement shall automatically be amended to conform to the date of the proposed loan proceedings and mortgage to the Farmers Home Administration. It is further provided that in the event any court of competent jurisdiction shall ever hold the duration of this Contract is illegal by reason of being in excess of twenty (20) years or any other period, then it is agreed by the parties that this Contract shall be effective for a period of twenty (20) years or for such shorter period as shall be determined to be valid by a final decision of such court, provided however, this clause is not to be construed as indicating any doubt as to the validity or effectiveness of said forty (40) years provision or of any other provision of this Contract. Upon termination of the term of this Contract, it may thereafter be renewed or extended for such term or terms as may be agreed upon between the Kentucky Water Service Company, Inc. and the City of Eubanks.

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Section 5. The effectiveness of this Contract is subject to the award by the City of Eubanks of contracts for the construction of its waterworks distribution system and the effectiveness of this Contract is also subject to the approval of said Public Service Commission. The City of Eubanks agrees that it will receive construction bids and make award of said bids at the earliest feasible date.

Section 6. The quality of water delivered by the Water Company to the City of Eubanks hereunder shall meet the standards of the United States Public Health Service's Limitations for Drinking Water.

Section 7. In the event that the water needs of said City of Eubanks should exceed 216,000 gallons per day, the Water Company will endeavor to provide adequate service to the City to the extent necessary, but cannot unqualifiedly covenant to do so. As noted aforesaid, it is acknowledged that 216,000 gallons of water per day is at this time in excess of present and foreseeable water needs of the City. If 216,000 gallons of water per day and/or the pumpage of 150 gallons per minute for a 24-hour period becomes inadequate for the needs of the City of Eubanks any time these provisions of this contract shall be subject to renegotiation between parties hereto but all other terms shall remain as written herein. Sums due and payable from the City to the Water Company for purchase of treated water on the basis aforesaid, shall be due and payable at the same time and in the same manner as other commercial accounts of the Kentucky Water Service Company, Inc., in the Somerset, Kentucky, area.

Section 8. It is a further condition of this Contract that the City of Eubanks shall not serve any customers with water who are now served by Kentucky Water Service Company, Inc., or to whom service is available by the present distribution system of Kentucky Water Service Company, Inc.

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BY: J. Paul [Signature]
FOR THE PUBLIC SERVICE COMMISSION

Section 9. This Contract shall inure to the benefit of, and shall be binding upon the parties hereto, and their successors in interest, grantees, assignees, and transferees.

Section 10. The terms of this Contract are subject to the rights of the holders of any note, bonds and mortgages encumbering the water works system of the City of Eubanks.

Section 11. Nothing contained in this Contract is to be construed or intended by the parties as divesting the Public Service Commission of Kentucky of any of its authority, control or preogatives in connection with either of the parties.

Section 12. If any section, paragraph, or clause of this Contract shall be invalid, the invalidity of such section, paragraph, or clause shall not affect any of the remaining provisions of this Contract.

IN TESTIMONY WHEREOF, the parties have hereunto set their hands and seals as of the day and year above written.

CITY OF EUBANKS, KENTUCKY
BY Jesse P. Guffer
Chairman Board of Trustees

ATTEST:
[Signature]
Clerk

KENTUCKY WATER SERVICE COMPANY, INC.
BY [Signature]
Vice President and General Manager

ATTEST:
[Signature]
Its Secretary
Kentucky Water Service Company, Inc.

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BY: [Signature]
FOR THE PUBLIC SERVICE COMMISSION

STATE OF KENTUCKY

COUNTY OF PULASKI: SCT

I, the undersigned, a Notary Public in and for the State and County aforesaid, do hereby certify that on this day the foregoing CONTRACT FOR PURCHASE OF TREATED WATER was produced before me in my said County and State by Jesse R. Griffin, Chairman, Board of Trustees, and C. L. Gooch Sr. Clerk, of the City of Eubanks, Kentucky, a municipal corporation duly organized and existing pursuant to the Acts of the General Assembly of the Commonwealth of Kentucky, a party thereto, being both personally known to me and known personally by me to be such officers, and to be the same persons who executed as such officers, respectively, the within and foregoing instrument of writing, and such persons duly acknowledged the execution of the same to be their voluntary act and deed as such officers of the said City of Eubanks, Kentucky, and the official act and deed of said City of Eubanks, Kentucky, and through them as its duly authorized officers.

Witness my hand and Notarial Seal this 12 day of July, 1971.

William T. Cain
 NOTARY PUBLIC
 My Commission Expires: 8-15-1972

STATE OF KENTUCKY

COUNTY OF PULASKI: SCT

I, the undersigned, a Notary Public in and for the State and County aforesaid, do hereby certify that on this day the foregoing CONTRACT FOR PURCHASE OF TREATED WATER was produced before me in my said County and State by L. B. Dodson, as Vice President, and Ben D. Smith, as Secretary of Kentucky Water Service Company, Inc., a Kentucky corporation and a party thereto, being both personally known

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 BY: Jordan [Signature]
 FOR THE PUBLIC

by me to be such officers, and to be the same persons who executed as such officers, respectively, the within and foregoing instrument of writing, and such persons duly acknowledged the execution of the same to be their voluntary act and deed as such officers of said Kentucky Water Service Company, Inc., and the official act and deed of said Kentucky Water Service Company, Inc., by and through them as its duly authorized officers.

Witness my hand and Notarial Seal this 9th day of July, 1971.

William V. Cam
NOTARY PUBLIC

My Commission Expires: 8/2/1972

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PURSUANT TO 807 KAR 5011,
SECTION 4(1)

BY: William V. Cam
FOR THE STATE OF KENTUCKY