

WATER PURCHASE CONTRACT

This Contract for the sale and purchase of water is entered into as of this the 21st day of September 2017, between the Burkesville Municipal Water Works, Burkesville, (Cumberland County), Kentucky, hereinafter referred to as the "Supplier", and the Cumberland County Water District, hereinafter referred to as "the District".

WITNESSETH:

Whereas, the District has been organized and established under the provisions of Chapter 74 of the 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 District and to accomplish this purpose, the District will require a supply of treated water, and

Whereas, the Supplier owns and operates a water supply distribution system with capacity currently capable of serving the present customers of the city system and the estimated number of users to be served by the District as shown in the plans of the system now on file in the office of the District, and

Whereas, Supplier and the District had entered into a water purchase contract on the 21st day of September wherein Supplier agreed to supply a quantity of water not to exceed 3,000,000 gallons per month to the District at a cost of \$2.21 per 1,000 gallons of water used by the District.

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9/30/2019

PUBLIC SERVICE
COMMISSION
OF KENTUCKY

Whereas, Supplier and the District are now desirous of modifying the rate charged by Supplier to Burkesville Municipal Water Works and hereby agree as follows:

Whereas, by Resolution 2017-6 enacted on the 21st day of September, 2017, by the Burkesville Municipal Water Works, the sale of water to the District in accordance with the provisions of said resolutions was approved, and the execution of this contract carrying out the said resolution by the Mayor, and attested by the City Clerk was duly authorized, and

Whereas, by resolution of the Board of Commissioners, of the District, enacted on the 21st day of September 2017, the purchase of water from the City in accordance with the terms set forth in said resolution was approved, and the execution of this contract by the Chairman, attested by the Secretary, was duly authorized.

Now for, an in consideration of the mutual promises, covenants and obligations herein contained on the part of all parties hereto it is hereby agreed as follows:

1. That this agreement is to constitute a modification of the water purchase contract herein above referenced, by written communication.
2. That Supplier will furnish such quantity of water as may be required by the purchaser not to exceed 1,000,000 gallons per day.
3. That the District agrees to pay to the seller, not later than the 15th day of each month for water delivery, at the rate of \$2.15 per 1,000 gallons of water, but less than 1,000,000 gallons of water per day.



That subject costs set out in the aforementioned paragraph shall be in effect for a period of five (5) years from the date of this contract. After the five (5) years period of the agreement, the parties shall re-negotiate the price rate per 1,000 gallons. A neutral third party individual or entity agreed to by both parties will provide information as to pricing rates for the parties.

4. Further, it is understood and agreed that District will exercise the utmost good faith to purchase on a monthly basis, 85% of District's total water supplied to its customers, with the understanding that some months purchase may be less than the 85% and some months may be more than the 85%. In the event Supplier deems District is not exercising its best good faith effort, then Supplier shall notify District that District has 30 days to correct subject deficiency. In the event District does not comply to Supplier's satisfaction, then Supplier shall have the right to proceed with court action to determine if District is exercising utmost good faith. Should court action be initiated by either party herein, the losing party shall bear all costs of the prevailing party, including reasonable attorney fees.

5. Any modification of this contract or additional obligation assumed by either party in connection with this agreement shall be binding only if evidenced in writing signed by each party or an authorized representative of each party.

IN WITNESS WHEREOF, the parties have caused this agreement executed by designated officers or officials as duly authorized by the respective legislative or managing body effective as of the date first written above.



CUMBERLAND COUNTY WATER DISTRICT

Al B. D.
Chair, Cumberland Co. Water District

Attest: *Mark Wilbert*
Secretary

CITY OF BURKESVILLE

Keith Riddle
Keith Riddle, Mayor, City of Burkeville

Attest: *Brenda Spears*
City Clerk

