

RESOLUTION No. 148

A meeting of the City Council of the City of Amity, Araksnas, was held at the City Hall in Amity, Arkansas, on the 14th day of April, 1987, at 7:00 p.m. pursuant to the regularly scheduled City Council Meeting.

The following members of the City Council, being a majority thereof, were present in person:

Chester Clark
Burton Davidson
Dora Lee Bean

Also present were the Amity City Mayor, Hershel Pittman, City Recorder, Maurice Hancock, and Attorney Janice Wheeler, and guests Dewayne Jackson and Gracie Smith.

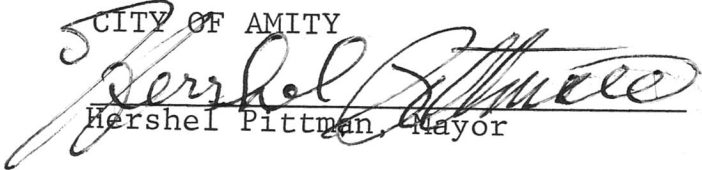
A discussion was had of the Water Purchase Contract intended between the City of Amity, Arkansas, and the Alpine Water Association, a proposed copy of which is attached hereto.

A motion was made by Dora Lee Bean and seconded by Chester Clark to adopt the Proposed Water Purchase Contract between the City of Amity, as Seller, and the Alpine Water Association, as Purchaser, as prepared on Farmers Home Administration Form 442-30 (Rev. 4-19-72), as modified therein subject to the approval of Farmers Home Administration and any other regulatory agency having regulatory control or approval over same.

The motion and resolution was after being read adopted with 3 Yeas and 0 Nays. Dora Lee Bean, Chester Clark and Burton Davidson voting Yea on a roll call vote. Rules suspended.

IN WITNESS WHEREOF, the City Council of the City of Amity, Arkansas, has duly adopted this Resolution and caused it to be executed by the officers below in triplicate on this 14 day of April, 1987.

CITY OF AMITY


Hershel Pittman, Mayor

Attest:

Maurice Hancock
Maurice Hancock, Recorder

WATER PURCHASE CONTRACT

This contract for the sale and purchase of water is entered into as of the _____ day of _____,
19 87, between the City of Amity
Route 3, Box 50, Amity, Arkansas 71921
(Address)

hereinafter referred to as the "Seller" and the Alpine Water Association
Route 1, Box 221, Amity, Arkansas 71921
(Address),
hereinafter referred to as the "Purchaser",

WITNESSETH:

Whereas, the Purchaser is organized and established under the provisions of Chapter 19, Title 64, Act 176
1963 of the Revised Statutes ~~XXXX~~
Code of Arkansas, 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 _____ No. _____ enacted on the _____ day
of _____, 19 _____, by the Seller, the sale of water to the Purchaser in accordance
with the provisions of the said _____ was approved, and the execution of this contract
carrying out the said _____ by the Mayor
and attested by the Secretary, was duly authorized, and

Whereas, by _____ of the Board of Directors
of the Purchaser, enacted on the _____ day of _____, 19 87,
the purchase of water from the Seller in accordance with the terms set forth in the said _____
was approved, and the execution of this contract by the President, 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 _____
Arkansas State Board of Health Drinking Water Standards
in such quantity as may be required by the Purchaser not to exceed 3,500,000 gallons per month.

2. (Point of Delivery and Pressure) That water will be furnished at a reasonably constant pressure calculated at 85 psi from an existing six (6) inch main supply at a point located on Arkansas State Highway No. 8 at the Southeast City Limit Line.

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 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 three (3) 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 the 25th 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 10th day of each month, with an itemized statement of the amount of water furnished the Purchaser during the preceding month.

B. The Purchaser Agrees:

1. (Rates and Payment Date) To pay the Seller, not later than the 15th day of each month, for water delivered in accordance with the following schedule of rates:

a. \$ 500.00 for the first 500,000 gallons, which amount shall also be the minimum rate per month.

~~XXXXXXXXXXXXXXXXXXXX cents per 1000 gallons for water in excess of XXXXXXXXXXXXXXXXXXXX gallons but less than XXXXXXXXXXXXXXXXXXXX gallons.~~

b. \$ 1.00 cents per 1000 gallons for water in excess of 500,000 gallons.

c. The above provisions shall become effective immediately upon the completion of the Alpine Water System and the commencing of its operation.

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 \$72,000.00 plus ~~XXXXXX which shall cover~~ any and all costs of the Seller for installation of the metering equipment ~~and~~. The \$72,000.00 shall cover a portion of the cost of installation of the 100,000 gallon elevated steel water tank.

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 ten (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 ~~flat~~ charge of \$ 1.00/1,000 gallons which will be paid by the contractor or, on his failure to pay, by the Purchaser. ¹
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 three (3) ² year period. ~~Any increase or decrease in rates shall be based on a demonstrable increase or decrease in the cost 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 amended 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.

¹ Upon the completion and commencing of operations of the Alpine water system, this provision (C.3.) shall become null and void and provision B.1. shall apply to the sale of water by Seller to Purchaser.

² Any increase or decrease in rates shall be based on a proportionate increase or decrease of rates to Seller's residential customers.

In witness whereof, the parties hereto, acting under authority of their respective governing bodies, have caused this contract to be duly executed in six (6) counterparts, each of which shall constitute an original.

Seller:

CITY OF AMITY, ARKANSAS

By Hershel Pittman

Title Mayor

Attest:

Secretary

Purchaser:

ALPINE WATER ASSOCIATION, INC.

By Rebecca Dwiggin

Title President

Attest:

Secretary

This contract is approved on behalf of the Farmers Home Administration this _____ day of _____, 19 _____.

By _____

Title _____