

WATER PURCHASE CONTRACT

This contract for the sale and purchase of water is entered into as of the ____ day of March 2018, between the City of Glenwood, 210 North Second Street, Glenwood, AR 71943 (“Seller”) and the City of Norman, PO Box 427, Norman, AR 71960 (“Purchaser”)

WHEREAS, the Purchaser is organized and established under the provisions of § 14-234-108 of the 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 Ordinance No. ____ enacted on the ____ day of March 2018, by the Seller, the sale of water to the Purchaser in accordance with the provisions of the said Ordinance was approved, and the execution of this contract carrying out said Ordinance by the Mayor, and attested by the Secretary, was duly authorized and

WHEREAS by majority vote of the town council of the Purchaser enacted on the ____ day of March 2018, the purchase of water from the Seller in accordance with the terms set forth in the said Ordinance was approved, and the execution of this contract by the Mayor, and attested by the Secretary was duly authorized;

THEREFORE, in consideration of the foregoing and the mutual agreements herein after 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, any renewal or extension thereof, potable treated water meeting the applicable purity standards of the Arkansas Department of Health in such quantity as may be required by the Purchaser not to exceed 200,000 gallons per day.
2. Point of Delivery and Pressure: Water will be furnished at a reasonably constant pressure calculated at not less than 70 psi, from an existing eight inch (8") main supply at a point located at the existing meter on Highway 8 in Caddo Gap, AR. 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 a main supply line break(s), power failure, flood, fire and use of water to fight fire, earthquake or other catastrophe shall excuse Seller from this provision for such reasonable period of time as may be necessary to restore service. All equipment past the point of delivery, including the master meter shall be owned by the City of Norman.
3. Metering Equipment: To furnish, install, operate and maintain at its own expense at the point of delivery, the necessary metering equipment, including a meter house, 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 testes. If any meter failed 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.

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 to the Purchaser during the preceding month along with a computer generated total of water costs.

B. The Purchaser agrees:

1. Rates and Payment Dates: To pay the Seller, not later than the due date each month, or the purchaser shall pay a ten percent (10%) penalty, for water delivered in accordance with the following schedule of rates beginning with the April 2018 billing:
 - a) \$9,534.75 plus \$1.00 per unit for the first 1,800 units (1000 gallons equals 1 unit) plus \$2.35 per unit over the initial 1,800 units. Formula: $\text{Loan } \$9,534.75 + \$1.00 \times 1,800 + \$2.35 \text{ per unit over the initial } 1,800 \text{ units}$).
 - b) Provider and purchaser may have independent third party conduct a water rate studies biannually to determine any necessary adjustments to the water rate. Both the price per unit for the initial 1,800 units and all additional units shall be adjusted accordingly. The provider may conduct their first rate study at any time in 2018 utilizing the 2017 costs with the adjustments being made beginning with the January 2019 billing.

C. It is further mutually agreed between the Seller and the Purchaser, as previous readings of any met follows:

1. Term of Contract: This contract shall extend for the life of the bond payments.
2. Failure to Deliver: 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 if an extended outage or if the water supply 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 ration or proportion as the supply to Seller's consumers is reduced or diminished.
3. Modification of Contract: Provisions of this contract may be modified or altered by mutual agreement.
4. Regulatory Agencies: This contract is subject to such rules, regulations, or laws as may be applicable to similar agreements in this State and Seller and Purchaser will collaborate in obtaining such permits, certificates or the like, as may be required to comply therewith.
5. Miscellaneous: 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 Arkansas Natural Resources and the provisions herein pertaining to the undertakings of the Purchaser are conditioned upon the approval, in writing by Arkansas Natural Resources. All equipment necessary to supply water to Purchaser's customers from the point of delivery shall be purchased and maintained by the Purchaser, including all Scada equipment after the point of delivery.

6. Force Majeure: If either party is unable to perform their obligations under this contract due to a natural disaster or other acts outside of their control the parties shall work together to reach an mutually acceptable resolution.

IN WITNESS THEREOF, the parties hereto acting under authority of their respective governing bodies, have caused this contract to be duly executed in two counterparts, each of which shall constitute an original.

Seller:

City of Glenwood

By: _____
Mayor

Attest:

Secretary

Purchaser:

City of Norman

By: Roseanna Markham
Mayor

Attest:

Joseph S. Borden
Secretary

This contract is approved on behalf of the Rural Development this ____ day of March 2018.

By: _____

Title: _____

Aldermen

Homer W. Ethridge

Edward Summis

Sen Dargatzis

Candee Bromley

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Seller:

City of Glenwood
By: [Signature]
Mayor

Attest: [Signature]
Secretary

Purchaser:

City of Norman
By: _____
Mayor

Attest: _____
Secretary

This contract is approved on behalf of the Rural Development this ____ day of March 2018.

By: _____

Title: _____