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October 28, 2019

VIA E-MAIL: katherine.collier@psc.state.ms.us

Katherine Collier
Mississippi Public Service Commission
501 North West Street, Suite 201 A
Jackson, MS 39201

FILED
OCT 31 2019
MISS. PUBLIC SERVICE
COMMISSION

RE: Punkin Water Association / MS Public Service Commission
Commission Number 2018-AD-36 Melanie Rube, et al.
October 2019 Report

Dear Ms. Collier:

This is the October 2019 report required by the outstanding orders of the Public Service Commission in the above-referenced matter. On June 25, 2019, the Public Service Commission and Commissioner Brandon Presley held a Status Conference on the pending open case before the Commission. At that meeting, representatives of the Association gave updates on the status of the various tasks that were ordered by the Commission. On July 8, 2019, the Public Service Commission issued its Second Amended Post Hearing Order.

Items 1, 3, and 4 in the Second Amended Post Hearing Order have been covered in prior reports.

Item 2 in the Order requires Punkin to report on its execution of a flushing plan. Punkin began the flushing on Tuesday, October 22, 2019, and completed flushing on October 31, 2019.

Item 5 requires Punkin to update the Commission on its plans if an interconnection with the City of Oxford is not achieved. Punkin plans to connect to the City of Oxford. A copy of the fully-executed Water Purchase Agreement is attached to this report.

I believe this report, along with the previous reports, covers all of the outstanding Items in the Second Amended Post Hearing Order.

Sincerely,

DANIEL COKER HORTON & BELL, P.A.

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WATER PURCHASE CONTRACT

THIS CONTRACT for the sale and purchase of water (the "Contract") is entered into as of the 16th day of October, 2019, between the City of Oxford, Mississippi, (hereinafter "Seller") and Punkin Water Association, Inc. (hereinafter "Purchaser"),

WITNESSETH:

WHEREAS, the Purchaser is a non-profit rural water association organized and established under the laws of Mississippi and authorized and empowered to construct and operate a water supply distribution system serving water users within its certificated area in order to provide a supply of potable water; and

WHEREAS, the Seller owns and operates a water supply system with a capacity currently capable of serving the present customers of the Seller's system and provide a supplemental water supply to Purchaser; and

WHEREAS, pursuant to resolution passed by the City of Oxford Board of Aldermen, the sale of water to the Purchaser in accordance with the provision of this Contract was approved and the execution of this Contract was approved; and

WHEREAS, the Board of Directors of Punkin Water Association, Inc., pursuant to a resolution duly adopted on the 14 day of October, 2019, did authorize the purchase of water from the Seller in accordance with the terms set forth in the resolution and as provided by this Contract.

NOW THEREFORE, in consideration of the mutual agreements provided herein, the parties agree as follows:

1. Seller shall furnish potable water to the Purchaser at a mutually acceptable point of delivery meeting all applicable state and federal standards in such quantity as may be required by the Purchaser's system. In the event that the Seller determines that the water supplied is not in compliance with any state or federal standard, the Seller shall as soon as reasonably possible provide reasonable notice to the Purchaser and shall immediately take such corrective actions as shall be necessary to assure compliance with said standards.

2. The Purchaser shall be responsible for constructing or making such improvements and/or alterations to its water system to assure that its system is capable of distributing the water provided by the Seller. The Purchaser shall be responsible for constructing such improvements to its system to assure that the water pressure within its system is constant and stable. Seller shall make its best efforts to provide a stable supply of potable water and shall notify the Purchaser as soon as reasonably possible in the event that interruptions or aberrations in the supply of water are anticipated. Emergency failures of pressure or supply due to main supply line breaks, power failure, flood, fire, use of water to fight fire, earthquake, acts of terrorism or civil unrest, or other catastrophe shall excuse the Seller from its obligation to deliver water hereunder for such reasonable time may be necessary to restore service.

3. To enable Purchaser to connect its distribution system to Seller's water supply lines at the points of delivery described above, Purchaser, at its sole cost, shall:

- a. Construct a fourteen (14) inch water distribution line from Campground road to a proposed metering station located at the western boundary of Punkin Water Association's certificated area.
- b. At the metering station connection point, cause a 4-inch metering arrangement to be constructed and installed in accordance with Seller's specifications and to Seller's satisfaction (with such metering equipment to be and to remain the property of the Seller).
- c. Construct a twelve (12) inch water distribution line from the proposed metering station to Highway 334, which shall incorporate sections of existing 16" water main installed by the City Oxford as part of the Sisk Avenue Extended project. Seller shall assist Purchaser in obtaining the required easements for the construction of this portion of the distribution line and field-locating existing Seller-owned utilities.
- d. Seller shall be responsible for reading the meter on a regular basis so as to provide an accurate calculation of the number of gallons purchased each month. The Seller shall be responsible for repairing and maintaining the meters. Purchaser shall have the right to have access to the meters for the purpose of verifying the quantities of water as might reasonably be necessary.

4. Should future improvements or alterations to Purchaser's system require the installation or construction of new metering equipment and connections in addition to the metering equipment and connections described in Paragraph 3 above, Purchaser shall be responsible for furnishing, installing, and constructing such necessary metering equipment and connections. The Seller shall approve all metering equipment, design, and other work of any sort associated with the installation of the additional metering equipment and connection to Seller's line at no cost to the Seller.

5. At any time before water is first provided to Purchaser, Purchaser may cancel this agreement, effective immediately. If Purchaser elects to exercise the cancellation provision contained in this paragraph, and at the time of cancellation any of the work as described in Paragraph 3(c) has been performed, Purchaser shall transfer ownership of any such work to Seller including without limitation any partially constructed lines and all easement rights associated with said work; and Purchaser agrees that such transfer will be in the form of a donation to the Seller and as such Purchaser waives the right to appraisal and any compensation for said transfer.

6. The Seller shall furnish to the Purchaser at the address shown below a monthly statement showing the amount of water furnished to the Purchaser during the preceding month and a statement for money owed to the Seller (the "Monthly Water Bill"). Purchaser shall pay the same rate for water as is charged to all other out-of-area customers of Seller. The rate shall be calculated

and reviewed by Seller at least once per year as required by law and may be adjusted as necessary within Seller's sole discretion.

7. After construction, Seller shall purchase the improvements described in Paragraphs 3(b) and 3(c) for the consideration of one-half of the total cost for the construction of the twelve (12) inch water distribution line from the proposed metering station to Highway 334, as described in Paragraph 3(c), above, and shall include costs associated with engineering, materials, and labor (the "Purchase Consideration"). The Purchase Consideration shall be applied as a credit to the Monthly Water Bill each month until such credit is exhausted. Notwithstanding any other provision of this Contract, once the Purchase Consideration is applied as a credit to the Monthly Water Bill, the continued application of the credit to the Monthly Water Bill will survive a subsequent termination of the Contract and will continue to be applied to the Monthly Water Bill until such credit is exhausted. In the event the total costs for the construction of the twelve (12) inch water distribution line from the proposed metering station to Highway 334, as described herein above, exceed \$1 million, the Purchase Consideration shall be limited to a maximum of \$500,000.00.

8. This contract shall be in full force and effect for five years after water is first provided to Purchaser. After the initial five-year term, this contract shall continue in full force and effect until either party shall provide written notification to the other of its intention to terminate the agreement no less than three hundred sixty (360) days in advance of such planned termination. Written notice shall be provided at the addresses listed below.

9. In the event of an extended shortage of water or the supply of water to the Seller is otherwise diminished over an extended period of time, the supply of water to Purchaser's customers shall be reduced or diminished in the same ratio or proportion as the supply to Seller's customers is reduced or diminished.

10. Purchaser hereby agrees to indemnify, defend and hold harmless Seller from any and all claims or causes of action including attorneys' fees related to the Purchaser's supply of potable water to its customers unless such claims or causes of action are the direct result of negligence on the part of Seller or Seller's employees or willful breach of this contract.

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

Seller:
The City of Oxford
107 Courthouse Square
Oxford, Mississippi 38655


By: Robyn Tannehill

Title: Mayor

Attest: 

Ashley Atkinson

City Clerk

Purchaser:

Punkin Water Association, Inc.

P.O. Box 114

Oxford, Mississippi 38655


By: Jason Butts

Title: President, Board of Directors

Attest: 

Dee Anna Hill

Secretary