

Attachment / Exhibit

Position 5

WATER PURCHASE CONTRACT

This contract is for the sale and purchase of water is entered into as of the
30th day of January, 1995, between the
Kiowa Public Works Authority, PO Box 69, Kiowa, OKla 74553

(Address)

hereinafter referred to as the "Seller" and the Rural Water District #11
Pittsburg County, Kiowa, OKla. 74553

(Address)

hereinafter referred to as the "Purchaser",

WITNESSETH:

Whereas, the Purchaser is organized and established under the provisions
of Title 84, Sects. 1324.1-1324.26
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

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 State of Oklahoma, Department of Environmental Quality in such quantity as
may be required by the Purchaser not to exceed 2,000,000 per month.

2. (Point of Delivery and Pressure) That water will be furnished at a
reasonably constant pressure calculated at (50) lbs., P.S. from an
existing 10 inch main which will be supplied at the
following points : 10" West of Railroad track, 6" Water Treatment Plant and
6" South of City Limits.

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 born 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 a 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 Between the 1st and 10th of 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 to the Purchaser during the preceding month.

B. THE PURCHASER AGREES:

1. (Rates and Payment Date) To pay the Seller, not later than the 20th day of the each month, for water delivered in accordance with the following schedule of rates:

\$2.50 per thousand gallons

2. (Connection Fee-Optional) To pay as an agreed cost, a connection fee to connect the Seller's system with the system of the Purchaser, the sum of NO dollars which shall cover any and all costs of the Seller for installation. RURAL WATER will install the master meter where needed.

C. It is further mutually agreed between the Seller and the Purchaser as follows:

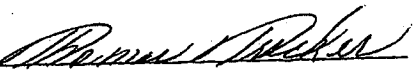
1. (Term of Contract) That this contract shall extend for a term of three (3) years (to be evaluated annually) from the date of the initial delivery of any water as shown by the first bill submitted by the Seller to the Purchaser and thereafter shall be automatically extended for successive like terms until terminated by the mutual consent of the Seller and Purchaser.
 2. (Delivery of Water) that 30 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 \$ 500.00 which will be paid by the contractor or, on his failure to pay, by the Purchaser.
 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 be paid by the Purchaser for water delivered are subject to modification at the end of each year. Any increase or decrease in rates shall be based on a demonstrable increase or decrease in the costs of performance hereunder, but such costs shall not include increased capitalization of the Seller's system that does not provide any benefit to the Purchaser. The seller shall keep enterprise accounts of the direct cost of producing water and delivering water to the point of delivery as described in paragraph above.
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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.
9. (Municipalities) The parties of this contract do hereby specifically waive the right for the municipality to unilaterally abrogate this contract pursuant to 11 O.S. Section 37-119B.
10. This contract and any amendments thereto may be pledged as security to the United States of America acting through the Farmers Home Administration of the United States Department of Agriculture for the purpose of securing loans made to the (Purchaser/Seller).

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

SELLER:

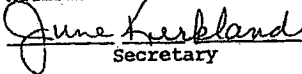
Kiowa Public Works Authority

By 

Title MAYOR

(SEAL)

ATTEST:


Secretary