



Rural  
Community  
Assistance  
Partnership

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# Water Purchase Contract Considerations

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# Rural Community Assistance Partnership



RCAP National Office



COMMUNITIES  
Unlimited

# Contract Provisions-Master Meter

- Ownership
- Control
- Access
- Maintenance
- Replacement
- Testing
  - Who Pays?
  - Presence at Testing
  - Sharing of Results

# Contract Provisions- Quantity

- Specify Amount
  - Monthly
  - Daily
  - Per minute
  - At specific delivery point
- Penalty provisions for exceeding amount

## Contract Provisions- Quantity

- Penalty provisions for exceeding amount
  - Buffer (Penalty if usage % above max)
- Take-or-Pay Provisions

# Contract Provisions- Rate Adjustments

- Frequency – How Often?
  - Annual Review
  - Minimum time between adjustments
  - When necessary
- Methodology for determining rate adjustment

## Contract Provisions- Automatic Rate Adjustments

- Consumer Price Index – **NOT FAVORED**
- Purchased Water Adjustment
  - Kentucky River Authority
  - Adjustments from Supplier's Supplier
- Rate Formula
  - Recalculation of rate using formula is not rate adjustment

# Contract Provisions- Other Provisions

- Advanced Notice of Rate Adjustments
- Access to Info Regarding Costs/Operations
- Water Quality Provisions
- Dispute Resolution