

C O N T R A C T

This agreement made and entered into this 22nd day of February, 1972, by and between the City of Lawton, Oklahoma, a municipal corporation, hereinafter called "City", and, Public Service Company of Oklahoma, a corporation, hereinafter called "Company":

WITNESSETH:

WHEREAS, The Company has desired for some time to construct an electric power generating station near Lawton, but has been unable to do so because of lack of any source of cooling water in quantities that would be required to operate such a generating station; and,

WHEREAS, the City of Lawton was being required by State and Federal regulations to greatly improve the quality of its sewage treatment facilities such that effluent to be discharged from the sewage treatment plant would be of such quality that it could be used for purposes such as cooling water in an electric generating station; and,

WHEREAS, the Company announced that, providing it could purchase sufficient sewage effluent at a reasonable rate, it planned to construct an electric power generating station known as Comanche Power Station, located at a site approximately three (3) miles south of the intersection of East Lee Boulevard and Southeast 45th Street in the City of Lawton, Oklahoma; and,

WHEREAS, The City intends to construct a sewage treatment plant in the area of the site of the Comanche Power Station, which sewage treatment plant will have an effluent lake of not less than 500 acre feet; and,

WHEREAS, the City desires to sell all, or part, of the effluent and recognizes that the installation of an electric generating station near Lawton will provide many benefits to the community, including

large tax benefits, assurance of greatly increased electrical capacity that will not only be of benefit to the existing community, but will greatly enhance the opportunity for attracting new industry; and,

WHEREAS, The City desires to cooperate with the Company in order to insure the present construction of the electric generating station near Lawton, and desires to make possible the future expansion and enlargement of the electric generating station that may be required with the growth of the company's electrical loads as the City of Lawton and Southwest Oklahoma continue to grow; and,

WHEREAS, the proceeds from the sale of bonds voted by the citizens of Lawton for the construction of the sewage treatment plant became available in January 1972, as a result of which it may be possible to complete construction of the effluent lake on or about December 1972, for the impoundment of water; and,

WHEREAS, the Company desires to purchase water from the sewage treatment plant effluent lake and the City is willing to sell a portion of said effluent to the Company.

NOW, THEREFORE, in consideration of mutual covenants contained herein, the payments to be well and truly made as prescribed herein, and other good and valuable considerations, the parties hereto agree as follows:

1. The City will proceed with reasonable diligence to construct a sewage treatment plant effluent lake with a minimum storage capacity of 500 acre feet, in accordance with the recommendation of its consulting engineers on the project, which lake would be used in connection with the new Lawton sewage treatment plant to be constructed as a result of the approval of the issuance of bonds for such purpose by the citizens of the City of Lawton. The City further agrees to allow and permit the Company to commence taking water impounded in said lake as a result of run-off prior to the completion of the sewage treatment plant at no charge to the Company.

2. The Company will install and construct a pipeline, intake structure and pumps, to be used for the purpose of transferring water and effluent from the sewage treatment plant effluent lake of the City to the lake of the Company located at the site of the Comanche Power Station. Said pipeline, intake structure and pumps, located on property of the City, shall be in accordance with the design of consulting engineers employed by the Company, providing that the plans and specifications, together with the location of such facilities, shall be subject to the approval of the City Council of the City of Lawton. The City shall furnish, without cost to the Company, the necessary easement for the location of the intake structure, pumps and that part of the pipeline located on property of the City. The Company shall furnish the right-of-way necessary for that portion of the pipeline installed from the Boundary of the City property to the lake of the Company, located at the site of the Comanche Power Station.

Further, the Company shall furnish and install, or have installed, such devices as may be necessary to measure the amount of effluent taken by the Company when required by the City. The meter shall be installed in accordance with the specifications of the City of Lawton, Oklahoma. It is further agreed and understood that said pipeline, intake structure, pumps and right-of-way, would be owned by the Company and operated and maintained by the Company.

3. Upon the completion of the sewage treatment plant of the City and when treated sewage effluent is available for pumping from the sewage treatment plant of the effluent lake, the Company agrees to pay for such effluent as it pumps from said effluent lake at the rate of 7.5¢ per 1,000 gallons, with said payments to be made monthly within ten (10) days following receipt of billing from the City at the end of the month during which the effluent was pumped from the effluent lake. It is specifically agreed and understood by and between the parties that the effluent quality will be that specified by the Health

Department of the State of Oklahoma, on or about May 20, 1971, as suitable for discharge into Cache Creek: A. Bio-chemical Oxygen Demand (BOD₂₁)-less than 15.0 MG/l; B. Phosphate (P)-less than 1.0 MG/l.

4. It is further understood and agreed by and between the parties that the City shall deliver and the Company shall purchase an average of 3,500,000 gallons per day of sewage treatment plant effluent, for which sewage treatment plant effluent the Company agrees to pay the City the sum of 7.5¢ per 1,000 gallons. The Company shall not be obligated to pay for effluent not delivered and shall pay for effluent delivered and not taken up to an average of 3,500,000 gallons per day at the rate of 7.5¢ per 1,000 gallons. [Further, the Company shall have an option, extending ten (10) years following the date of commencement of operation of the sewage treatment plant to contract to purchase from the City an additional average of 3,500,000 gallons of effluent per day at the rate of 8.5¢ per 1,000 gallons. Further, for the option, the Company agrees to pay, in equal monthly payments, \$20,000 per year for ten (10) years, or until the option is exercised.]

5. It is specifically understood and agreed that the City shall complete the effluent lake on or about December 1972. Further, it is specifically understood and agreed that the City shall not be liable to the Company if the amount of effluent is less than specified due to accident or breakdown to plant, lines or equipment, strike, riot, act of God, or causes reasonably beyond the City's control or due to shutdowns for reasonable periods to make repairs to sewage treatment plant.

6. It is further agreed and understood that the Company is specifically prohibited from purchasing said effluent for resale, but the prohibition against resale is not intended to prohibit the sale of waste water generated by the Company.

7. It is further understood and agreed that should the amount of effluent generated by the sewage treatment plant, and available

for use, exceed 7,000,000 gallons per day, that when any such excess becomes available, it shall be first offered by the City for sale to the Company at prices and upon terms to be negotiated at the time of sale, and Company shall have 90 days from date of offer to negotiate a contract with the City for the purchase of said effluent.

8. The term of this contract shall be from the date hereof until December 31, 2022.

9. It is further understood and agreed by and between the parties hereto that this agreement may not be assigned by the Company, its successors and assigns, without the express written permission of the City.

IN WITNESS WHEREOF, the parties hereto have executed this instrument on the 22nd day of February, 1972, in multiple copies with each of those which is fully executed constituting an original.

THE CITY OF LAWTON, OKLAHOMA,
A Municipal Corporation,

BY

Don E. Whitaker
Don E. Whitaker, Mayor

ATTEST:

Ella E. Madden Deputy
Ella E. Madden, City Clerk

CITY

PUBLIC SERVICE COMPANY OF OKLAHOMA,
A Corporation,

BY

Don E. Whitaker
President

ATTEST:

Ella E. Madden
Secretary

COMPANY