

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

OCT 8 2004

PUBLIC SERVICE  
COMMISSION

In the Matter of:

APPLICATION OF LEDBETTER WATER )  
DISTRICT REQUESTING APPROVAL OF ) CASE NO. 2004-00406  
FINANCING AND INITIAL RATES PURSUANT )  
TO KRS 278.300 AND KRS 278.160 )

APPLICATION FOR FINANCING AND RATE APPROVAL

Ledbetter Water District (Ledbetter), by counsel, petitions the Commission for an Order approving the financing of the acquisition of the Ledbetter Sanitation District as required by KRS 278.300, and the establishment of initial rates.

In support of the application, the following information is provided:

1. Ledbetter's office address is 1483 US 60 West, P.O. Box 123, Ledbetter, KY 42058. Its principal officers are listed in the current Annual Report which is filed with the Commission, as are its prior years' Reports;
2. Ledbetter is a non-profit water district organized under KRS Chapter 74 and has no separate articles of incorporation;
3. A description of Ledbetter's water system and its property stated at original cost by accounts is contained in its Annual Report, which is incorporated herein by reference;
4. Ledbetter serves retail customers in Livingston County;

5. Ledbetter proposes to accept ownership of the Ledbetter Sanitation District's wastewater system as discussed in the "Interlocal Cooperation Agreement Relating To The Wastewater System Serving The Community of Ledbetter, Livingston County, Kentucky" ("Agreement"), attached hereto as Exhibit 1.

6. Upon PSC approval, Ledbetter proposes to charge the new wastewater services rates included in the Agreement of \$15.16 for the first 2,000 gallons and \$7.74 per 1,000 gallons thereafter. The rates will continue at this level for a period of five (5) years, at which time the Agreement provides that the rates will be further increased.

7. The Agreement calls for the Livingston County Fiscal Court to immediately secure sufficient loan funds from the Kentucky Association of Counties Leasing Trust ("KACoLT loan") to retire the Kentucky Infrastructure Authority ("KIA") Fund A loan to the Sanitation District, conditioned upon the faithful completion of all actions set out in this Agreement by the respective parties.

8. Upon transfer of ownership and control of the wastewater system to Ledbetter, the Sanitation District will be dissolved pursuant to Kentucky Revised Statutes.

9. After the KACoLT loan is used to retire in full the KIA loan, the Agreement requires Ledbetter to make application to the KIA Fund A Loan Program for that amount set out in Attachment 1 to the Agreement so that proceeds from the Fund A loan will reduce the principal amount of the KACoLT loan to the Fiscal Court. The Agreement further calls for Ledbetter to apply that portion of system revenues necessary to fully service the KIA loan.

10. Specifically, the Agreement calls for KIA to extend a loan to Ledbetter to pay off \$2,300,000 of the KACoLT loan to the Fiscal Court at an interest rate of 0.0% for a term of 20 years. In addition, KACoLT would refinance approximately \$1,000,000 over 5 years at a variable rate of 2.92%. The annual debt service payment on the former would be approximately \$115,000, and on the latter approximately \$35,000.

11. Thereafter, Ledbetter will own, manage, operate and maintain the wastewater system and apply all revenues generated therefrom to cover the cost of operation and maintenance as well as for the timely retirement of debt incurred by the Fiscal Court and subsequently, and in addition, debt secured in its own name relating to the wastewater system.

12. The Agreement further provides that, in the first quarter of 2009, KACoLT will convert the 5-year loan to a 20-year loan, with an annual debt service payment of approximately \$67,000, and that sewer rates will be increased by approximately 10% to cover this payment.

13. Ledbetter's assumption of this financing is for a lawful object within the corporate purposes of the utility, is necessary or appropriate for or consistent with the proper performance of the utility of its service to the public, and will not impair its ability to perform that service, and is reasonably necessary and appropriate for such purpose.

14. The resolution of the Ledbetter Board of Commissioners approving this acquisition and financing is attached as Exhibit 2.

15. The following information is provided in response to 807 KAR 5:001 (8):  
(A) Articles of Incorporation – None, Ledbetter is a statutorily created water district

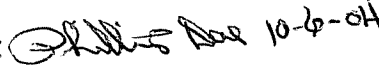
under KRS Chapter 74; (B) An adoption notice is not applicable because the Agreement specifies the initial rates to be charged for sewer service.

16. Pursuant to 807 KAR 5:001 (9) (i.e., the facts relied upon to show that the application is in the public interest), the Agreement and financing approval will allow for the continued operation and maintenance of the wastewater system serving the Ledbetter area.

17. The following information is provided as required by 807 KAR 5:001 (11):  
(a) A general description of the property is contained in the Annual Report; (b) No stock is to be issued; (c) There is no refunding or refinancing; and (d) The proceeds of the debt obligation and financing are to assume operation and control of the Ledbetter Sanitation District's wastewater system.

18. The following information is provided pursuant to 807 KAR 5:001 (11)(2):  
(a) Ledbetter's latest Annual Report on file with the Commission is incorporated herein by reference, and Ledbetter requests a deviation from Section 6 relative to the 90 day requirement and any other requirement not addressed within the Annual Report, on the grounds that such information is not currently available and would be expensive to produce, or is inapplicable; (b) There are no trust deeds or mortgages; (c) Maps and plans of the proposed property have been attached as Exhibit 2, including detailed property estimates. Ledbetter requests a deviation from the requirement that these estimates be arranged according to the uniform system of accounts prescribed by the Commission, as such information is not presently available and would be expensive to produce at this time.

For these reasons, Ledbetter requests Commission approval to finance the acquisition of the Ledbetter Sanitation District's wastewater system, and to charge the sewer rates included in the Agreement.

SUBMITTED BY:  10-6-04

OCT 8 2004

INTERLOCAL COOPERATION AGREEMENT  
RELATING TO THE WASTEWATER SYSTEM SERVING THE  
COMMUNITY OF LEDBETTER, LIVINGSTON COUNTY, KENTUCKY

**THIS INTERLOCAL COOPERATION AGREEMENT** (the "Agreement") is made and entered into and deemed effective as of the \_\_\_\_\_ day of \_\_\_\_\_, 2004, by and between the Livingston County Fiscal Court (referred to herein as "Fiscal Court"), the Ledbetter Sanitation District (referred to herein as "Sanitation District") and the Ledbetter Water District (referred to herein as "Water District"), each a "Party", (or collectively the "Parties") and each a political subdivision of the Commonwealth of Kentucky.

**WHEREAS**, under the Interlocal Cooperation Act, Sections 65.210 to 65.300, inclusive, of the Kentucky Revised Statutes ("KRS"), as amended, any power or powers, privileges or authority exercised or capable of exercise by a public agency (including a county, a special district, or any other political subdivision of the Commonwealth) may be exercised jointly with another public agency under an agreement (an "interlocal cooperation agreement") for joint or cooperative action pursuant to the provisions of the Act, and such public agencies may acquire, construct, maintain, add to and improve the necessary property, real and personal, which is required in order to accomplish the public purposes set forth in such interlocal cooperation agreement; and

**WHEREAS**, the Fiscal Court encourages the development of water and wastewater services for all residents of the County and intends that such service be provided in the most cost effective manner to the benefit of its citizens; and

**WHEREAS**, the Sanitation District, a special district established pursuant to KRS 220, and whose board of commissioners has been recently reappointed, owns the wastewater system and is willing to transfer ownership of its system to the Water District to better assure a more reasonable cost of service to its customers; and,

**WHEREAS**, the Water District, a special district established pursuant to KRS 74 and regulated by the Kentucky Public Service Commission (PSC) (pursuant to KRS 278), presently owns and operates a water system and, at the request of the Sanitation District and current and previous Fiscal Courts, has operated the wastewater system for an extended period and has demonstrated its capability to properly operate the physical plant of the wastewater system and has recently taken official board action to express its willingness to accept ownership of the wastewater system and deal with the fiscal obligations thereof; and

**WHEREAS**, the Parties are in agreement that it is in their mutual interest to pursue cooperatively the public purpose of consolidating utility services to the benefit of the affected citizenry, and to this end have determined to effect the transfer of ownership of the wastewater system, secure a loan in the name of the Fiscal Court, and subsequently secure a second loan in the name of the Water District, to better assure

reasonable customer rates and to take other related activities as set out in this Agreement.

**NOW THEREFORE**, it is mutually acknowledged and agreed by and between the Parties hereto and so ordered as follows:

1. The Parties hereto agree that the foregoing statements are not mere recitals, but represent findings of fact by the respective bodies, and as such represent statements of public interest affecting all Parties hereto, and the community of Ledbetter.
2. Obligations and Responsibilities of the Fiscal Court:
  - A. The Fiscal Court, in the interest of resolving long-term fiscal matters relating to the wastewater system, hereby invites and encourages the Sanitation District and the Water District to take all steps necessary and appropriate for the transfer of ownership of the wastewater system from the Sanitation District to the Water District and the proper continuation of operation and maintenance of the wastewater system by the Water District, as set out in this Agreement.
  - B. Upon Kentucky Public Service Commission (PSC) approval of the transfer of ownership of the wastewater system, the Fiscal Court will immediately secure sufficient loan funds from the Kentucky Association of Counties Leasing Trust (KACoLT loan) to be used to retire the Kentucky Infrastructure Authority Fund A loan to the Sanitation District, conditioned upon the faithful completion of all actions set out in this Agreement by the respective Parties.
  - C. The Fiscal Court shall assist the Sanitation District board of commissioners in the proper conduct of its obligations under this Agreement and, upon transfer of ownership and completion of all related activities, shall effect the dissolution of the Sanitation District pursuant to Kentucky Revised Statutes.
  - D. Concurrent with other actions being taken by the Parties to this Agreement, the Fiscal Court, at its expense, shall procure a qualified engineering firm to conduct an on-site inspection and provide an assessment report as to the overall condition and general functionality of the wastewater system. Further, the Fiscal Court shall engage the Water District in the procurement process by seeking its assistance in the determination of the proper qualifications and subsequently the selection of such firm and shall encourage the Water District to actively participate with the representatives of the engineering firm during its on-site evaluation. Further, copies of any and all written reports resulting from this evaluation shall be provided to all Parties to this Agreement.

### 3. Obligations of the Sanitation District

A. The Sanitation District board of commissioners will familiarize itself with the issues and attendant actions of all Parties necessary to successfully achieve the intent of this Agreement.

B. The Sanitation District, immediately upon execution of this Agreement, by official resolution and then by letter shall grant and authorize the Water District to continue its operation and maintenance activities of the wastewater system, including all associated billing and collection of revenues and application of same to the costs of operation. It shall state clearly that the intent of the Sanitation District is to transfer ownership to the Water District and that such grant and authorization shall remain in effect until and at which time ownership of the wastewater system is successfully transferred, or other action requires further directive.

C. The Sanitation District shall meet, as required, to consider and take all necessary action in a timely manner to assure the accomplishment of the purpose of this Agreement. More, specifically, the Sanitation District shall accept funds made available by the Fiscal Court via the KACoLT loan, shall apply all such funds to the retirement of its outstanding KIA loan on the wastewater system and hereby irrevocably pledges all revenues derived from rates and charges of the wastewater system to the payment of the KACoLT loan until such time as ownership of the wastewater system shall be transferred to the water district, whereupon the provisions of Section 4 B of this Agreement shall apply.

D. When and after the proper transfer of ownership of the wastewater system to the Water District occurs, the Sanitation District shall take all appropriate action in cooperation with, and at the direction of, the Fiscal Court to legally dissolve its organization and cease its existence.

### 4. Obligations of the Water District

A. The Water District shall acknowledge the Sanitation District's letter, as cited in Section 3B of this Agreement, and shall continue to operate and maintain the wastewater system, and apply all revenues generated from billings and collections from wastewater system customers toward operation and maintenance costs in the routine and normal manner.

B. Immediately upon execution of this Agreement by all Parties, the Water District shall notify the PSC of its intent to accept ownership of the Sanitation District's wastewater system and request PSC staff assistance in establishing customer rates for wastewater services as recommended pursuant to Section 5 and **Attachment 1** of this Agreement. Upon PSC approval, the Water District shall commence to charge the new wastewater services rates. After



KACoLT approves its loan to the Fiscal Court, the Water District shall apply that portion of system revenues necessary to fully service the KACoLT loan.

C. When and after the KACoLT loan, obtained by the Fiscal Court, is used to retire in full the KIA loan (A-94-03) to the Sanitation District, the Water District shall make application to the KIA Fund A Loan Program for that amount set out in **Attachment 1** to this Agreement so that proceeds from the Fund A loan will reduce the principal amount of the KACoLT loan to the Fiscal Court, thereby assuring the lowest possible customer rate for wastewater services. The Water District shall then also apply that portion of system revenues necessary to fully service the KIA loan.

D. Thereafter, the Water District shall own, manage, operate and maintain the wastewater system and apply all revenues generated there from to cover the cost of operation and maintenance as well as for the timely retirement of debt incurred by the Fiscal Court and subsequently, and in addition, debt secured in its own name relating to the wastewater system.

5. Parties agree as to Method for Determination of Rates:

The proposed customer rate for wastewater services to be submitted by the Water District to the PSC for its consideration and subsequent approval shall be sufficient to adequately operate and maintain the wastewater system as well as to repay debt incurred on behalf of the wastewater system by the Fiscal Court and the Water District. The actual delineation of this arrangement relating to these Parties' specific debt amounts is set out in full and included in this Agreement as **Attachment 1**.

6. Parties further acknowledge and agree:

A. The Parties agree to work cooperatively in addressing all the issues affecting the successful completion of the activities set out in this Agreement, and recognize the critical importance of open and continuing communication to assure the long term benefit of this Agreement to citizens of the Ledbetter community in Livingston County, Kentucky. To better assure this communication, beginning on the effective date of this Agreement and continuing thereafter until PSC approvals are secured and the KACoLT loan to the Fiscal Court and the KIA loan to the Water District is in place, each Party shall charge one of its members to serve as its principal *contact person* and it shall be the obligation of these individuals to arrange for and actively engage in open communication on a routine basis, regarding any and all matters cited in or envisioned by this Agreement. Further, each designated *contact person* shall attend all meetings of the other Parties wherein matters relating to this Agreement are to be discussed or any action taken, and shall report regularly to their respective Party in a manner as directed by that Party. The individuals who shall serve initially as the contact persons for the respective Parties shall be named in **Attachment 2** to this Agreement.

B. The duration of this Agreement shall extend to and include the approvals of the PSC regarding the transfer of ownership and the rates to be charged for service, together with the KACoLT loan approval to the Fiscal Court and subsequently the KIA loan approval to the Water District, the timely repayment of these loans by schedule, the completion of the engineering evaluation of the wastewater system and the dissolution of the Sanitation District. The successful implementation and completion of all of these actions together, as illustrated by appropriate documentation, shall constitute the permissible method of complete termination of this Agreement.

C. The Water District operates under the jurisdiction of the PSC. Consequently, the roles of the Water District as set out herein are subject to the review and approval of the PSC. Every effort shall be made by the other Parties to facilitate the appropriate review and implement the directives of the PSC in a timely and expeditious manner.

D. The Parties to this Agreement hereby designate the Pennyriple Area Development District to be the "Administrator" of this Agreement. The responsibility of the Administrator, as separately agreed to and so documented in **Attachment 3** of this Agreement, shall be limited to reporting the progress of the implementation of the Agreement to the Parties monthly, during the first year, and annually thereafter on or near the anniversary of the effective date of the Agreement.

E. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Kentucky. If any provision of this Agreement is held to be in conflict with any applicable statute or rule of law, or is otherwise held to be unenforceable, the invalidity of such portion shall not affect any or all of the remaining portions of this Agreement.

F. The principal purpose of the actions called for in this Agreement is to secure and take best advantage of the economies of scale in providing for the proper management, operation and maintenance of the wastewater system, including retirement of debt obligations and coverage of operation and maintenance costs through consolidation with the Water District's water system to secure the lowest possible costs per capita for the consumers of both water and wastewater services in the community of Ledbetter.

G. The activities set out in this Agreement shall be financed by a combination of subsidized loans provided by Kentucky Association of Counties' Leasing Trust and the Kentucky Infrastructure Authority, as well as by revenues generated by customer rates, as approved by the PSC.

H. All real and personal property that may be acquired in the course of the implementation of this Agreement shall be properly procured pursuant to KRS 45A, used and held as public property and disposed of pursuant to statute.

**IN WITNESS WHEREOF**, the Parties have caused this Agreement to be executed by designated officers or officials as duly authorized by the respective legislative or managing body, effective as of the date first written above.

*APROVED AS TO FORM AND COMPLIANCE  
WITH APPROPRIATE KENTUCKY STATUTES*

Attorney General Greg Stumbo  
Commonwealth of Kentucky

BY: *Gregory D. Stumbo*

LIVINGSTON COUNTY FISCAL COURT

*Chris Loh* 8/10/04  
County Judge Executive

Attest: *Candice Walker*  
County Court Clerk

LEDBETTER SANITATION DISTRICT

*James R. Schade*  
Chair

Attest: *Jant Moneymaker*  
Secretary

LEDBETTER WATER DISTRICT

*Phillip Lee* 8-10-04  
Chair

Attest: *Jant Moneymaker*  
Secretary

## ATTACHMENT 1 RECOMMENDED LOANS AND RELATED CUSTOMER RATES

Lender	Approximate Principal Amount	Term of Loan	Approximate Interest Rate	Purpose
A KACoLT	\$ 3,300,000	3 to 6 months	2.92% Variable	Short Term note to extinguish debt owed by the Ledbetter Sanitation District to KIA.
B KACoLT	\$ 1,000,000	5 years	2.92% Variable	Five-year variable rate loan. First step in the permanent refinancing of the wastewater system's debt. This loan will be made concurrent with the KIA loan and will pay off Loan 1 above.
C KIA	\$ 2,300,000	20 years	0% fixed	Twenty-year, zero interest loan. This loan will reduce overall interest costs to the system. This loan will be made concurrent with the KACoLT loan and will pay off Loan 1 above.
D KACoLT	\$ 1,000,000	20 years	Future Market Fixed Rate	Twenty-year fixed rate loan. Final step in the permanent refinancing of the wastewater system's debt. This loan will refinance the 5-year KACoLT loan and will pay off Loan 2 above.

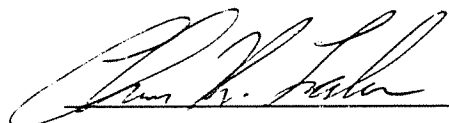
1. In first quarter of 2004: the Fiscal Court via KACoLT pays off the Sanitation District's debt to KIA. This would be a 3 to 6 month variable rate short-term loan. The interest cost would be approximately \$24,000 to \$48,000.
2. In first quarter of 2004: current rates in effect as of October 2003 (\$10.29 for the first 2,000 gallons – minimum bill; and \$5.25 per 1,000 gallons thereafter) need to be increase by approximately 47% to \$15.16 for the first 2,000 gallons; and \$7.74 per 1,000 gallons thereafter. The rates will continue at this level for a period of five (5) years.
3. In the second quarter of 2004: KIA would extend a loan to the Water District to pay off \$2,300,000 of the KACoLT loan to the Fiscal Court at an interest rate of 0.0% for a term of 20 years. The annual debt service payment on this loan would be approximately \$115,000.
4. In the second quarter of 2004: KACoLT would refinance approximately \$1,000,000 over 5 years at a variable rate of 2.92%. The annual KACoLT debt service payment would be approximately \$35,000.
5. In the fourth quarter of 2008: sewer rates will be further increased by approximately 10% to \$16.71 for the first 2,000 gallons – minimum bill; and \$8.53 per 1,000 gallons thereafter, to cover Item 6, below.
6. In the first quarter of 2009: KACoLT would convert the 5-year loan to a 20-year loan. Annual debt service payments would be approximately \$67,000.

ATTACHMENT 2

IDENTIFICATION OF INITIAL CONTACT PERSONS

The following individuals, pursuant to Section 6A of the Agreement, shall serve as the *contact person* for each Party as indicated. If such individual does not continue to serve in this capacity, for whatever reason, another individual shall be named by that Party and so inform the other Party(ies) in a timely manner. Note: The individual serving for the Sanitation District shall do so until and at which time the Sanitation District is dissolved and no other individual shall be named thereafter.

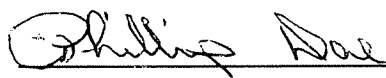
LIVINGSTON COUNTY FISCAL COURT:

 8-10-04

LEDBETTER SANITATION DISTRICT:

James R. Schade 8/10/04

LEDBETTER WATER DISTRICT:

 8-10-04

ATTACHMENT 3

AGREEMENT TO SERVE AS ADMINISTRATOR

Be advised that the Pennyriple Area Development District agrees to and will serve as Administrator of the Interlocal Cooperation Agreement between and among the Livingston County Fiscal Court, the Ledbetter Sanitation District, and the Ledbetter Water District, pursuant to KRS 65 and Section 6D of the Agreement.

Date 8/12/04

Chris Sutnow  
Executive Director (Assistant)

Attest: Jeff Unfried

RESOLUTION

BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE LEDBETTER WATER DISTRICT IN LEDBETTER, KENTUCKY AS FOLLOWS:

WHEREAS, The Board of the Ledbetter Water District recognizes that the best interests of the people of Ledbetter would be served by the water district's accepting ownership of the Ledbetter Sanitation District; and

WHEREAS, The Livingston County Fiscal Court has requested that the water district accept ownership of the sanitation district; and


WHEREAS, The Fiscal Court agreed at a special meeting on November 6, 2003 to pay for an engineering study to determine the condition and needs of the sewer system, and to provide financial assistance, if needed, in correcting existing problems; and

WHEREAS, The Kentucky Infrastructure Authority (KIA), with assistance from the Public Service Commission (PSC), has proposed a refinancing plan which appears acceptable to the water district board;

THEREFORE BE IT RESOLVED that the Ledbetter Water District will enter into an Interlocal Cooperation Agreement Relating To The Wastewater System Serving The Community Of Ledbetter, Livingston County, Kentucky, and will apply to the Kentucky PSC for financing and rate approval, and will proceed to accept ownership of the Ledbetter sewer system.

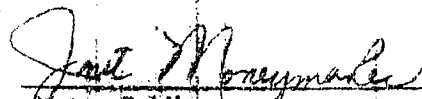
Upon motion by *Serry Smith* and seconded by *Bill Dillahan* the foregoing Resolution was duly adopted.

Dated this the 17<sup>th</sup> day of May, 2004.

  
Phillip Dae, Chairman

Subscribed and sworn to before Janet Moneymaker, a Notary Public, in and for the State and County of Livingston, Kentucky this 17<sup>th</sup> day of May, 2004.

My commission expires 4/23/07

  
Notary Public

COMMONWEALTH OF KENTUCKY  
FISCAL COURT OF THE COUNTY OF LIVINGSTON  
RESOLUTION NO. 06-17-04-C2

RESOLUTION RELATING TO AN INTERLOCAL  
COOPERATION AGREEMENT RELATING TO  
THE LEDBETTER SANITATION DISTRICT NO. 1

BE IT RESOLVED BY THE FISCAL COURT OF THE COUNTY OF LIVINGSTON, KENTUCKY, AS FOLLOWS:

WHEREAS, The Livingston County Fiscal Court recognizes that the best interests of the people of Ledbetter would be served by the water district's accepting ownership of the Ledbetter Sanitation District No.1; and

WHEREAS, The Livingston County Fiscal Court has requested that the water district accept ownership of the Ledbetter Sanitation District No 1; and

WHEREAS, The Fiscal Court agreed at a special meeting on November 6, 2003 to pay for an engineering study to determine the condition and needs of the sewer system, and to provide financial assistance, if needed, in correcting existing problems; and

WHEREAS, The Kentucky Infrastructure Authority (KIA), with assistance from the Public Service Commission (PSC), has proposed a refinancing plan which appears acceptable to the Fiscal Court,

THEREFORE BE IT RESOLVED that the Livingston County Fiscal Court will enter into an Interlocal Cooperation Agreement Relating To The Wastewater System Serving The Community Of Ledbetter, Livingston County, Kentucky, and will authorize the Livingston County Judge/Executive to sign on the Courts behalf, an interlocal agreement setting forth necessary procedures allowing the Ledbetter Water District to assume operations of the Ledbetter Sanitation District No. 1.

Upon motion by Jerry Stinson and seconded by Joe C. Bryan, the foregoing Resolution was duly adopted on the 17<sup>th</sup> day of June, 2004 by a vote of 4 (yes) to 0 (no).

Dated this the 17<sup>th</sup> day of June, 2004.

Attest:

Jana Loom 6-17-04  
Livingston County Date  
Fiscal Court Clerk

Chris Lasher 6-17-04  
Chris Lasher Date  
Livingston County Judge/Executive

Reviewed and approved by Livingston County Attorney Billy Riley.

Billy N. Riley  
Billy Riley, Livingston County Attorney



COMMONWEALTH OF KENTUCKY  
LEDBETTER SANITATION DISTRICT NO. 1  
RESOLUTION NO. 2004-8.10

RESOLUTION RELATING TO AN INTERLOCAL  
COOPERATION AGREEMENT RELATING TO THE LEDBETTER  
SANITATION DISTRICT NO. 1

BE IT RESOLVED BY THE LEDBETTER SANITATION DISTRICT NO. 1 OF LIVINGSTON,  
KENTUCKY, AS FOLLOWS:

WHEREAS, The Ledbetter Sanitation District No. 1 recognizes that the best interests of the people of Ledbetter would be served by the water district's accepting ownership of the Ledbetter Sanitation District No.1; and

WHEREAS, The Ledbetter Sanitation District No. 1 has requested that the water district accept ownership of the Ledbetter Sanitation District No 1; and

WHEREAS, The Ledbetter Sanitation District No. 1 is aware of a special meeting on November 6, 2003 in which the Livingston County Fiscal Court agreed to pay for an engineering study to determine the condition and needs of the sewer system, and to provide financial assistance, if needed, in correcting existing problems; and

WHEREAS, The Kentucky Infrastructure Authority (KIA), with assistance from the Public Service Commission (PSC), has proposed a refinancing plan which appears acceptable to the Ledbetter Sanitation District No. 1,

THEREFORE BE IT RESOLVED that the Ledbetter Sanitation District No. 1 will enter into an Interlocal Cooperation Agreement Relating To The Wastewater System Serving The Community Of Ledbetter, Livingston County, Kentucky, and will authorize the Chairman of the Sanitation District No. 1 Board to sign on the Boards behalf, an interlocal agreement setting forth necessary procedures allowing the Ledbetter Water District to assume operations of the Ledbetter Sanitation District No. 1.

Upon motion by Darwin Belt and seconded by Kerry Stewart, the foregoing Resolution was duly adopted on the 10<sup>th</sup> day of August, 2004 by a vote of 3 (yes) to 0 (no).

Dated this the 10<sup>th</sup> day of August, 2004.

Attest:

Jont Moneymaker 8/10/04  
Clerk Date  
Ledbetter Sanitation District No. 1

James R. Schade 8/10/04  
Chairman Date  
Ledbetter Sanitation District No. 1

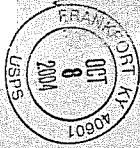
Reviewed and approved by Livingston County Attorney Billy Riley.

Billy Riley  
Billy Riley, Livingston County Attorney

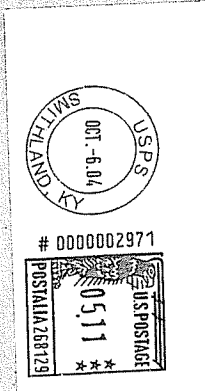
Chris Lasher  
Livingston Co. Judge/Executive  
P.O. Box 70  
Smithland, KY 42081



Public Service Commission  
Attn: Beth O'Donnell, Exec. Director  
P.O. Box 615  
Frankfort, KY 40602-0615



RETURN RECEIPT  
REQUESTED



RETURN RECEIPT  
REQUESTED

RECEIVED  
OCT 8 2004  
PUBLIC SERVICE  
COMMISSION

