



**BRIAN CUMBO**

ATTORNEY AT LAW

86 W. Main St., Suite 100  
P.O. Box 1844  
Inez, KY 41224  
(606) 298-0428  
FAX: (606) 298-0316  
cumbolaw@cumbolaw.com

ADMITTED IN KY AND WV

RECEIVED

JUN 22 2017

Public Service  
Commission

June 19, 2017

Public Service Commission  
ATTN: David Spenard  
P.O. Box 615  
Frankfort, KY 40602

RE: Martin County Water District  
PSC Case No. 2016-00142

Dear Mr. Spenard:

Pursuant to my assistant's discussion with Brandon, enclosed please find one (1) bound Notice of Filing, which was originally sent to you on June 7, 2017, and resubmitted on June 13, 2017, after being redacted. It is my understanding that you are rejecting the bound document that contains the white out tape. Please discard the document with the white out tape and substitute the enclosed.

Thank you for your attention to this matter.

Very truly yours,

BRIAN CUMBO

BC/ld  
Enclosure  
cc: Martin County Water District

RECEIVED

JUN 22 2017

Public Service  
Commission

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

INVESTIGATION OF THE OPERATING	)	
CAPACITY OF MARTIN COUNTY WATER	)	CASE NO. 2016-00142
DISTRICT PURSUANT TO KRS 278.280	)	

NOTICE OF FILING

\*\*\*\*\*

Comes the Martin County Water District (District), by counsel, and hereby gives Notice of Filing of the attached:

1. Affidavit of Kelley E. Callaham.
2. Statement of Clarification of the Martin County Water District.
3. Documents received from Prestonsburg City Utilities in response to Open Records Request.



BRIAN CUMBO  
 COUNSEL FOR MARTIN COUNTY  
 WATER DISTRICT  
 P.O. BOX 1844  
 INEZ, KY 41224  
 TELEPHONE: (606) 298-0428  
 TELECOPIER: (606) 298-0316  
 EMAIL: cumbolaw@cumbolaw.com



**CERTIFICATE OF SERVICE**

This ~~will~~ certify that a true and correct copy of the foregoing was mailed, postage pre-paid, on this the 7 day of June, 2017, to the following:

Public Service Commission  
ATTN: David Spenard  
P.O. Box 615  
Frankfort, KY 40602

  
BRIAN CUMBO

# EXHIBIT 1

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

INVESTIGATION OF THE OPERATING )  
CAPACITY OF MARTIN COUNTY WATER ) CASE NO. 2016-00142  
DISTRICT PURSUANT TO KRS 278.280 )

AFFIDAVIT OF KELLY E. CALLAHAM

\*\*\*\*\*

Comes the Affiant, Kelly E. Callaham, after being duly sworn, and states as follows:

1. That I, Kelly E. Callaham, am the Martin County Judge Executive.
2. That at the hearing held before the Public Service Commission on June 1, 2017, I stated in my testimony that Prestonsburg Utilities was receiving approximately \$11.00 per thousand gallons for water.
3. That I have since been informed that is incorrect.
4. That, in fact, I have no personal knowledge of the terms of the contract between the Bureau of Prisons and Prestonsburg City Utilities.

Further the Affiant saith naught.

  
KELLY E. CALLAHAM

STATE OF KENTUCKY)

COUNTY OF MARTIN)

SUBSCRIBED, ACKNOWLEDGED and SWORN TO before me by Kelly E. Callahan

this the 7<sup>th</sup> day of June, 2017.

My Commission Expires: 10-9-2017

*Leresa Fralyn*  
NOTARY PUBLIC, STATE AT LARGE

# EXHIBIT 2

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

INVESTIGATION OF THE OPERATING )  
CAPACITY OF MARTIN COUNTY WATER ) CASE NO. 2016-00142  
DISTRICT PURSUANT TO KRS 278.280 )

STATEMENT OF CLARIFICATION

\*\*\*\*\*

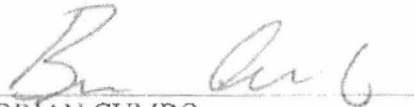
Comes the Martin County Water District (District), by counsel, and offers its' Statement of Clarification to be filed in the record in this matter.

That during the hearing, Joe Hammond testified that the sludge spill referenced by a public citizen did not impact the water shed of Martin County Water District.

In a point of clarification, the sludge spill did not affect the water shed of the Crum Reservoir, which serves the Martin County Water District.

However, the District pumps from the Tug River into the Crum Reservoir, and the Tug River was ultimately affected by the sludge spill.

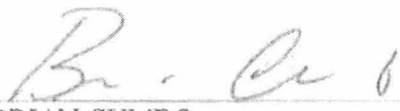
That for a period of time, the District did not pump from the Tug River, and did not resume pumping until receiving clearance from the Division of Water.

  
BRIAN CUMBO  
COUNSEL FOR MARTIN COUNTY  
WATER DISTRICT  
P.O. BOX 1844  
INEZ, KY 41224  
TELEPHONE: (606) 298-0428  
TELECOPIER: (606) 298-0316  
EMAIL: cumbolaw@cumbolaw.com

**CERTIFICATE OF SERVICE**

This will certify that a true and correct copy of the foregoing was mailed, postage pre-paid, on this the 4 day of June, 2017, to the following:

Public Service Commission  
ATTN: David Spenard  
P.O. Box 615  
Frankfort, KY 40602

  
BRIAN CUMBO

# EXHIBIT 3





**Prestonsburg City's Utilities Commission**

2560 South Lake Drive  
 Prestonsburg, KY 41653-1068  
 Office Hours: Mon-Fri 8:00 AM to 5:00 PM  
 Phone: (606) 886-8771 Fax: (606) 886-8865  
 Kentucky Relay: 4711



Make Checks Payable to: Prestonsburg City's Utilities Commission

Return Service Requested

ACCOUNT #	
Not Due On or Before	6/15/2017 \$71,346.86
Penalty Applied	
Pay After	6/15/2017 \$71,346.86

Check off this if your address is in error. Indicate a company name only if

**PLEASE RETURN THIS PORTION WITH YOUR PAYMENT**

U S Penitentiary  
 Attn: Controller  
 PO Box 2067  
 Inez, KY 41224-2067

IS THIS PORTION WITH PAYMENT  
 BEING THIS PORTION FOR YOUR RECORDS

**Prestonsburg City's Utilities Commission**  
 2560 South Lake Drive  
 Prestonsburg, KY 41653-1368

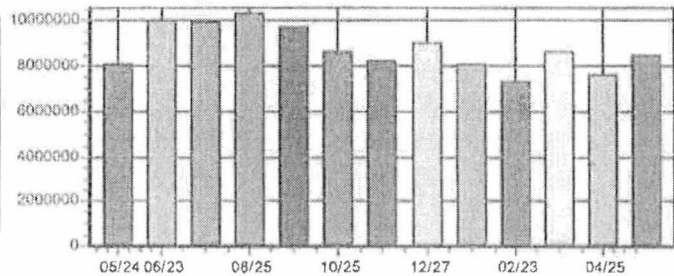
SERVICE DESCRIPTION	METER	ACCOUNT NAME		SERVICE ADDRESS		
		READING DATES	PREVIOUS	PRESENT	USAGE	CHARGES
WA Water	72016517	04/25 - 05/25	551743300	558897300	7154000	\$71,346.86
WA Water	72016517	04/25 - 05/25	11621800	12940500	1318700	

**INCLUDES MULTIPLE METERS**

Pay by phone: 1-855-282-7631 or online at:  
[www.prestonsburgwater.com](http://www.prestonsburgwater.com)

Not Due On or Before	6/15/2017	\$71,346.86
Penalty Applied		
Pay After	6/15/2017	\$71,346.86

COMPARISONS			
Period	Days	Usage	Daily Avg.
Current Billing Period		1318700	0.000
Previous Billing Period		0	0.000
Same Period Last Year		0	0.000



2017 Prestonsburg City's Utilities Commission Annual Quality Report is available.  
 This report contains important information about your drinking water.  
 Please go to [www.prestonsburgwater.com/water-quality](http://www.prestonsburgwater.com/water-quality) to view your 2017  
 annual water quality report or to request a paper copy call (606)886-6871.

*(Handwritten signature)*



**Prestonsburg City's Utilities Commission**  
 2560 South Lake Drive  
 Prestonsburg, KY 41653-1048  
 Office Hours: Mon-Fri 8:00 AM to 5:00 PM  
 Phone (606) 856-6871 Fax (606) 856-9285  
 Kentucky Relay #711



Make Checks Payable to: Prestonsburg City's Utilities Commission

Return Service Requested

ACCOUNT #		
Net Due On or Before	5/15/2017	\$136,908.76
Penalty Amount		
Pay After	5/15/2017	\$136,908.76

Please check for any printed notices or statements. If you are having trouble, please call...

**PLEASE RETURN THIS PORTION WITH YOUR PAYMENT**

U.S. Penitentiary  
 Attn: Controller  
 PO Box 2067  
 Inez, KY 41224-2067

RETURN THE PORTION WITH PAYMENT  
 BEHOLD THIS SECTION FOR YOUR RECORD

**Prestonsburg City's Utilities Commission**  
 2560 South Lake Drive  
 Prestonsburg, KY 41653-1368

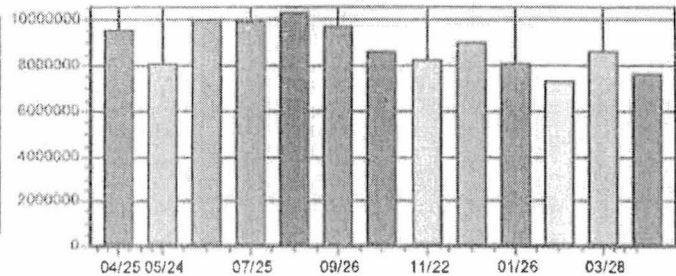
SERVICE DESCRIPTION	METER	READING DATES	PREVIOUS	SERVICE ADDRESS			CHARGES
				ACCOUNT #	ACCOUNT NAME	PRESENT	
BF Balance Forward							\$72,818.89
WA Water	72016517	03/28 - 04/25	545375700	551743300	6367600		\$64,090.07
WA Water	72016517	03/28 - 04/25	10388900	11621800	1232900		

**INCLUDES MULTIPLE METERS**

Pay by phone: 1-855-282-7631 or online at:  
[www.prestonsburgwater.com](http://www.prestonsburgwater.com)

Net Due On or Before	5/15/2017	\$136,908.76
Penalty Amount		
Pay After	5/15/2017	\$136,908.76

COMPARISONS			
Period	Days	Usage	Daily Avg.
Current Billing Period		1232900	0.000
Previous Billing Period		0	0.000
Same Period Last Year		0	0.000





**Prestonsburg City's Utilities Commission**  
 2560 South Lake Drive  
 Prestonsburg, KY 41653-1048  
 Office Hours Mon-Fri 8:00 AM to 5:00 PM  
 Phone (606) 886-6871 Fax (606) 886-9850  
 Kentucky Relay #711



ACCOUNT #	
Net Due Date of Billing	4/15/2017 \$72,818.69
Payable Amount	
Pay After	4/15/2017 \$72,818.69

Make Checks Payable to: Prestonsburg City's Utilities Commission

Check back box if your address is incorrect. Indicate change(s) on reverse side.

Return Service Requested

**PLEASE RETURN THIS PORTION WITH YOUR PAYMENT**

U S Penitentiary  
 Attn: Controller  
 PO Box 2067  
 Inez, KY 41224-2067

RETURN THIS PORTION WITH PAYMENT  
 RETAIN THIS SECTION FOR YOUR RECORD

**Prestonsburg City's Utilities Commission**  
 2560 South Lake Drive  
 Prestonsburg, KY 41653-1368

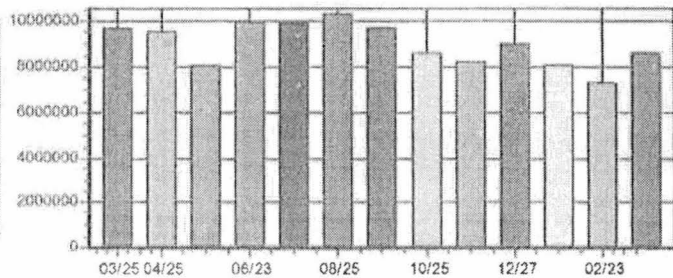
SERVICE DESCRIPTION	METER	READING DATES	ACCOUNT NAME		SERVICE ADDRESS		CHARGES
			PREVIOUS	PRESENT	USAGE		
WA Water	72016517	02/23 - 03/28	538167500	545375700	7208200	\$72,818.69	
WA Water	72016517	02/23 - 03/28	8947500	10388900	1441400		

**INCLUDES MULTIPLE METERS**

Pay by phone: 1-855-282-7631 or online at:  
[www.prestonsburgwater.com](http://www.prestonsburgwater.com)

Net Due Date of Billing	4/15/2017	\$72,818.69
Penalty Amount		
Pay After	4/15/2017	\$72,818.69

COMPARISONS			
Period	Days	Usage	Daily Avg.
Current Billing Period		1441400	0.000
Previous Billing Period		0	0.000
Same Period Last Year		0	0.000





**Prestonsburg City's Utilities Commission**  
 2560 South Lake Drive  
 Prestonsburg, KY 41653-1048  
 Office Hours: Monday 8:00 AM to 5:00 PM  
 Phone: (606) 886-6871 Fax: (606) 666-4885  
 Kentucky Relay #711



ACCOUNT #		
Net Due On or Before	3/15/2017	\$60,391.82
Penalty Amount		
Pay After	3/15/2017	\$60,391.82

Make Checks Payable to: Prestonsburg City's Utilities Commission

Check box if your address is incorrect (indicate change) on invoice side.

Return Service Requested

**PLEASE RETURN THIS PORTION WITH YOUR PAYMENT**

U S Penitentiary  
 Attn: Controller  
 PO Box 2067  
 Inez, KY 41224-2067

BEHIND THE PORTER, WITH PAYMENT  
 BEHIND THIS SECTION FOR YOUR RECORDS

**Prestonsburg City's Utilities Commission**  
 2560 South Lake Drive  
 Prestonsburg, KY 41653-1368

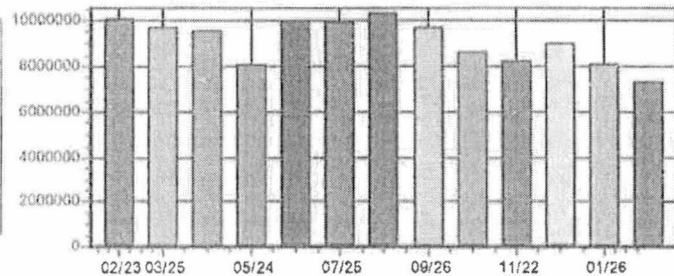
SERVICE DESCRIPTION	METER	READING DATES	ACCOUNT NAME		SERVICE ADDRESS		
			PREVIOUS	PRESENT	USAGE	CHARGES	
			U S PENITENTIARY		1197 AIRPORT ROAD		
WA Water	72016517	01/26 - 02/23	532096800	538167500	6070700	\$60,391.82	
WA Water	72016517	01/26 - 02/23	7733400	8947500	1214100		

**INCLUDES MULTIPLE METERS**

Pay by phone: 1-855-282-7631 or online at:  
[www.prestonsburgwater.com](http://www.prestonsburgwater.com)

Net Due On or Before	3/15/2017	\$60,391.82
Penalty Amount		
Pay After	3/15/2017	\$60,391.82

COMPARISONS			
Period	Days	Usage	Daily Avg.
Current Billing Period		1214100	0.000
Previous Billing Period		0	0.000
Same Period Last Year		0	0.000





**Prestonsburg City's Utilities Commission**  
 2560 South Lake Drive  
 Prestonsburg, KY 41653-1368  
 Office Hours: Mon-Fri 8:00 AM to 5:00 PM  
 Phone: (606) 865-0871 Fax: (606) 866-9800  
 Kentucky Relay #711



ACCOUNT #	1	
Water Usage Period	2/15/2017	\$66,864.02
Pay All	2/15/2017	\$66,864.02

Make Checks Payable to: Prestonsburg City's Utilities Commission

Check box if your address is incorrect, address change(s) or revert to site.

Return Service Requested

**PLEASE RETURN THIS PORTION WITH YOUR PAYMENT**

U S Penitentiary  
 Attn: Controller  
 PO Box 2067  
 Inez, KY 41224-2067

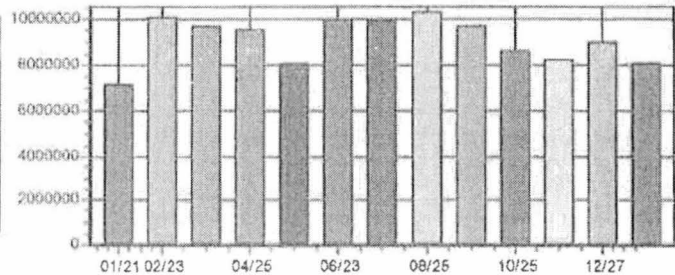
RETURN THIS PORTION WITH PAYMENT  
 RETAIN THIS SECTION FOR YOUR RECORDS

**Prestonsburg City's Utilities Commission**  
 2560 South Lake Drive  
 Prestonsburg, KY 41653-1368

SERVICE DESCRIPTION	METER	ACCOUNT NAME		SERVICE ADDRESS								
		READING DATES	PREVIOUS	PRESENT	USAGE	CHARGES						
		U S PENITENTIARY		1197 AIRPORT ROAD								
WA Water	72016517	12/27 - 01/26	525331900	532096800	6764900	\$66,864.02						
WA Water	72016517	12/27 - 01/26	6421600	7733400	1311800							
INCLUDES MULTIPLE METERS						<table border="1"> <tr> <td>Water Usage Period</td> <td>2/15/2017</td> <td>\$66,864.02</td> </tr> <tr> <td>Pay All</td> <td>2/15/2017</td> <td>\$66,864.02</td> </tr> </table>	Water Usage Period	2/15/2017	\$66,864.02	Pay All	2/15/2017	\$66,864.02
Water Usage Period	2/15/2017	\$66,864.02										
Pay All	2/15/2017	\$66,864.02										

Pay by phone: 1-855-282-7631 or online at:  
[www.prestonsburgwater.com](http://www.prestonsburgwater.com)

COMPARISONS			
Period	Days	Usage	Daily Avg.
Current Billing Period		1311800	0.000
Previous Billing Period		0	0.000
Same Period Last Year		0	0.000





**Prestonsburg City's Utilities Commission**  
 2560 South Lake Drive  
 Prestonsburg, KY 41653-1048  
 Office Hours Mon-Fri 8:00 AM to 5:00 PM  
 Phone (606) 886-8871 Fax (606) 886-9555  
 Kentucky Relay #711



Make Checks Payable to: Prestonsburg City's Utilities Commission

Return Service Requested

ACCOUNT #	
Not Due On or Before	01/15/2017 \$74,729.71
Penalty Amount	
Pay After	01/15/2017 \$74,729.71

Check box if your address is incorrect. Indicate change(s) on reverse side.

**PLEASE RETURN THIS PORTION WITH YOUR PAYMENT**

U S Penitentiary  
 Attn: Controller  
 PO Box 2067  
 Inez, KY 41224-2067



RETURN THIS PORTION WITH PAYMENT  
 RETURN THIS SECTION FOR YOUR RECORDS

**Prestonsburg City's Utilities Commission**  
 2560 South Lake Drive  
 Prestonsburg, KY 41653-1368

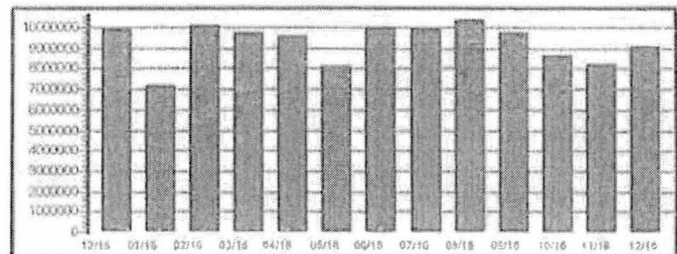
SERVICE DESCRIPTION	METER	ACCOUNT #		ACCOUNT NAME		SERVICE ADDRESS	
		READING DATES	PREVIOUS	PRESENT	USAGE	CHARGES	
WA Water	72016517	11/22 - 12/27	517771800	525331900	7560100	\$74,729.71	
WA Water	72016517	11/22 - 12/27	4942600	6421600	1479000		

**INCLUDES MULTIPLE METERS**

Pay by phone: 1-855-282-7631 or online at:  
[www.prestonsburgwater.com](http://www.prestonsburgwater.com)

Not Due On or Before	01/15/2017	\$74,729.71
Penalty Amount		
Pay After	01/15/2017	\$74,729.71

COMPARISONS			
Period	Days	Usage	Daily Avg.
Current Billing Period		1479000	0.000
Previous Billing Period		0	0.000
Same Period Last Year		0	0.000





**Prestonsburg City's Utilities Commission**  
 2560 South Lake Drive  
 Prestonsburg, KY 41653-1046  
 Office Hours Mon-Fri 8:00 AM to 5:00 PM  
 Phone (606) 886-6971 Fax (606) 886-9885  
 Kentucky Relay 4711



Make Checks Payable to: Prestonsburg City's Utilities Commission

Return Service Requested

ACCOUNT #		
Not Due On or Before	12/15/2016	\$67,966.56
Penalty Amount		
Pay After	12/15/2016	\$67,966.56

Check box if your address is incorrect. Indicate change(s) on reverse side.

**PLEASE RETURN THIS PORTION WITH YOUR PAYMENT**

U S Penitentiary  
 Attn: Controller  
 PO Box 2067  
 Inez, KY 41224-2067



RETURN THIS PORTION WITH PAYMENT  
 RETAIN THIS SECTION FOR YOUR RECORDS

**Prestonsburg City's Utilities Commission**  
 2560 South Lake Drive  
 Prestonsburg, KY 41653-1368

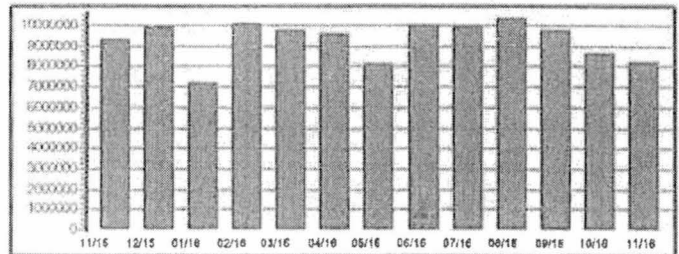
SERVICE DESCRIPTION	METER	ACCOUNT #		ACCOUNT NAME		SERVICE ADDRESS	
		READING DATES	PREVIOUS	PRESENT	USAGE	CHARGES	
WA Water	72016517	10/25 - 11/22	510861000	517771800	6910800	\$67,966.56	
WA Water	72016517	10/25 - 11/22	3641800	4942600	1300800		

**INCLUDES MULTIPLE METERS**

Pay by phone: 1-855-282-7631 or online at:  
[www.prestonsburgwater.com](http://www.prestonsburgwater.com)

Not Due On or Before	12/15/2016	\$67,966.56
Penalty Amount		
Pay After	12/15/2016	\$67,966.56

COMPARISONS			
Period	Days	Usage	Daily Avg.
Current Billing Period		1300800	0.000
Previous Billing Period		0	0.000
Same Period Last Year		0	0.000





**Prestonsburg City's Utilities Commission**  
 2560 South Lake Drive  
 Prestonsburg, KY 41653-1048  
 Office Hours Mon-Fri 8:00 AM to 5:00 PM  
 Phone (606) 690-6871 Fax (606) 686-9885  
 Kentucky Relay #711



Make Checks Payable to: Prestonsburg City's Utilities Commission

Return Service Requested

ACCOUNT #		
Not Due On or Before	11/15/2016	\$71,522.63
Penalty Amount		
Pay After	11/15/2016	\$71,522.63

Check box if your address is incorrect. Indicate change(s) on reverse side.

**PLEASE RETURN THIS PORTION WITH YOUR PAYMENT**

U S Penitentiary  
 Attn: Controller  
 PO Box 2067  
 Inez, KY 41224-2067



RETURN THIS PORTION WITH PAYMENT  
 RETAIN THIS SECTION FOR YOUR RECORDS

**Prestonsburg City's Utilities Commission**  
 2560 South Lake Drive  
 Prestonsburg, KY 41653-1368

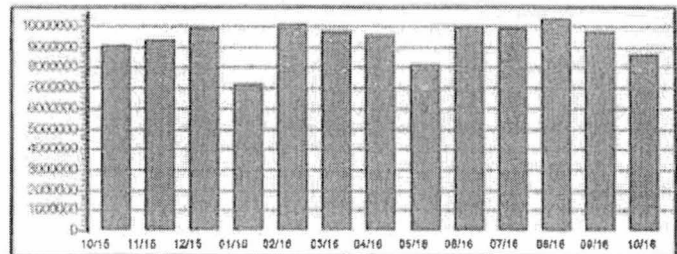
SERVICE DESCRIPTION	METER	ACCOUNT #		ACCOUNT NAME		SERVICE ADDRESS	
		READING DATES	PREVIOUS	PRESENT	USAGE	CHARGES	
WA Water	72016517	09/26 - 10/25	503571000	510861000	7290000	\$71,522.63	
WA Water	72016517	09/26 - 10/25	2285100	3641800	1356700		

**INCLUDES MULTIPLE METERS**

**SIGN UP FOR BUDGET GAS BY NOVEMBER 18!!** Pay by phone: 1-855-282-7631 or online at: [www.prestonsburgwater.com](http://www.prestonsburgwater.com)

Not Due On or Before	11/15/2016	\$71,522.63
Penalty Amount		
Pay After	11/15/2016	\$71,522.63

COMPARISONS			
Period	Days	Usage	Daily Avg.
Current Billing Period		1356700	0.000
Previous Billing Period		0	0.000
Same Period Last Year		0	0.000







**Prestonsburg City's Utilities Commission**  
 2560 South Lake Drive  
 Prestonsburg, KY 41653-1048  
 Office Hours Mon-Fri 8:00 AM to 5:00 PM  
 Phone (606) 886-6871 Fax (606) 886-9885  
 Kentucky Relay #711



Make Checks Payable to: Prestonsburg City's Utilities Commission

Return Service Requested

ACCOUNT #		
Net Due On or Before	10/15/2016	\$80,305.33
Penalty Amount		
Pay After	10/15/2016	\$80,305.33

Check box if your address is incorrect. Indicate change(s) on reverse side.

**PLEASE RETURN THIS PORTION WITH YOUR PAYMENT**

U S Penitentiary  
 Attn: Controller  
 PO Box 2067  
 Inez, KY 41224-2067



RETURN THIS PORTION WITH PAYMENT  
 RETAIN THIS SECTION FOR YOUR RECORDS

**Prestonsburg City's Utilities Commission**  
 2560 South Lake Drive  
 Prestonsburg, KY 41653-1368

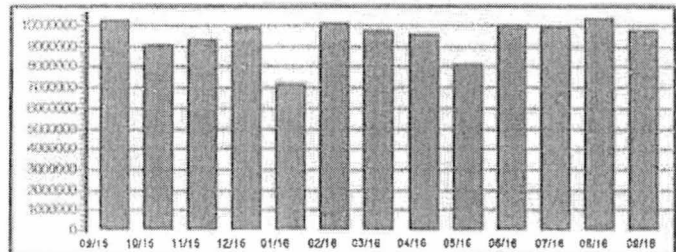
SERVICE DESCRIPTION	METER	ACCOUNT #		ACCOUNT NAME		SERVICE ADDRESS	
		READING DATES	PREVIOUS	PRESENT	USAGE	CHARGES	
WA Water	72016517	08/25 - 09/26	495347700	503571000	8223300	\$80,305.33	
WA Water	72016517	08/25 - 09/26	787100	2285100	1498000		

**INCLUDES MULTIPLE METERS**

**SIGN UP FOR BUDGET GAS BY NOVEMBER 18!** Pay by phone: 1-855-282-7631 or online at: [www.prestonsburgwater.com](http://www.prestonsburgwater.com)

Net Due On or Before	10/15/2016	\$80,305.33
Penalty amount		
Pay After	10/15/2016	\$80,305.33

COMPARISONS			
Period	Days	Usage	Daily Avg.
Current Billing Period		1498000	0.000
Previous Billing Period		0	0.000
Same Period Last Year		0	0.000





**Prestonsburg City's Utilities Commission**  
 2560 South Lake Drive  
 Prestonsburg, KY 41653-1043  
 Office Hours: Mon-Fri 8:00 AM to 5:00 PM  
 Phone (606) 886-6871 Fax (606) 886-9866  
 Kentucky Relay #711



Make Checks Payable to: Prestonsburg City's Utilities Commission

Return Service Requested

ACCOUNT #		
Net Due On or Before	09/15/2016	\$85,382.40
Penalty Amount		
Pay After	09/15/2016	\$85,382.40

Check box if your address is incorrect. Indicate changes on reverse side.

**PLEASE RETURN THIS PORTION WITH YOUR PAYMENT**

U S Penitentiary  
 Attn: Controller  
 PO Box 2067  
 Inez, KY 41224-2067



RETURN THIS PORTION WITH PAYMENT  
 RETAIN THIS SECTION FOR YOUR RECORDS

**Prestonsburg City's Utilities Commission**  
 2560 South Lake Drive  
 Prestonsburg, KY 41653-1368

SERVICE DESCRIPTION	METER	ACCOUNT #		ACCOUNT NAME		SERVICE ADDRESS	
WA Water	72016517						
WA Water	72016517						

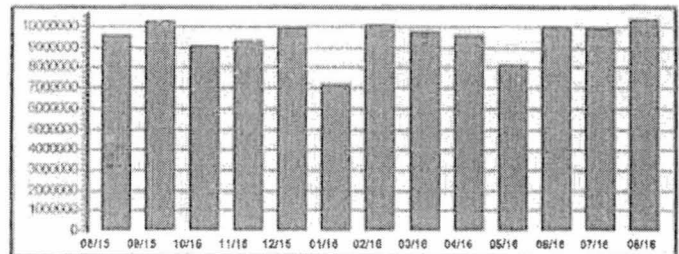
READING DATES	PREVIOUS	PRESENT	USAGE	CHARGES
07/25 - 08/25	486480800	495347700	8866900	\$85,382.40
07/25 - 08/25	99311500	787100	1475600	

**INCLUDES MULTIPLE METERS**

**NOW OFFERING!!! Pay by Phone: 1-855-282-7631 or Pay online:  
[www.prestonsburgwater.com](http://www.prestonsburgwater.com)**

Net Due On or before	09/15/2016	\$85,382.40
Penalty Amount		
Pay After	09/15/2016	\$85,382.40

COMPARISONS			
Period	Days	Usage	Daily Avg.
Current Billing Period		1475600	0.000
Previous Billing Period		0	0.000
Same Period Last Year		0	0.000





**Prestonsburg City's Utilities Commission**  
 2560 South Lake Drive  
 Prestonsburg, KY 41653-1048  
 Office Hours: Mon-Fri 8:00 AM to 5:00 PM  
 Phone (606) 886-6871 Fax (606) 886-7888  
 Kentucky Relay #711



Make Checks Payable to: Prestonsburg City's Utilities Commission

Return Service Requested

ACCOUNT #		
Net Due On or Before	07/15/2016	\$80,788.85
Pay After	07/15/2016	\$80,788.85

Check box if your address is incorrect. Indicate change(s) on reverse side.

**PLEASE RETURN THIS PORTION WITH YOUR PAYMENT**

U S Penitentiary  
 Attn: Controller  
 PO Box 2067  
 Inez, KY 41224-2067



RETURN THIS PORTION WITH PAYMENT  
 RETAIN THIS SECTION FOR YOUR RECORDS

**Prestonsburg City's Utilities Commission**  
 2560 South Lake Drive  
 Prestonsburg, KY 41653-1366

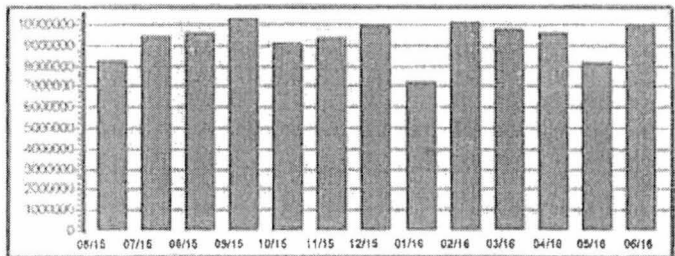
SERVICE DESCRIPTION	METER	ACCOUNT #		ACCOUNT NAME		SERVICE ADDRESS	
WA Water	72016517			U S PENITENTIARY		1197 AIRPORT ROAD	
WA Water	72016517						
		HEADING DATES	PREVIOUS	PRESENT	USAGE	CHARGES	
		05/24 - 06/23	469442400	478034700	8592300	\$80,788.85	
		05/24 - 06/23	96378700	97812200	1433500		

**INCLUDES MULTIPLE METERS**

**NOW OFFERING!!! Pay by Phone: 1-855-282-7631 or Pay online:  
[www.prestonsburgwater.com](http://www.prestonsburgwater.com)**

Net Due On or Before	07/15/2016	\$80,788.85
Pay After	07/15/2016	\$80,788.85

COMPARISONS			
Period	Days	Usage	Daily Avg.
Current Billing Period		1433500	0.000
Previous Billing Period		0	0.000
Same Period Last Year		0	0.000





**Prestonsburg City's Utilities Commission**  
 2560 South Lake Drive  
 Prestonsburg, KY 41653-1088  
 Office Hours Mon-Fri 8:00 AM to 5:00 PM  
 Phone (606) 886-8871 Fax (606) 886-8885  
 Kentucky Public Utility 4711



07/28/16

ACCOUNT #		
Net Due On or Before	06/15/2016	\$65,637.76
Penalty Amount		
Pay After	06/15/2016	\$65,637.76

Make Checks Payable to: Prestonsburg City's Utilities Commission

Check box if your address is incorrect. Indicate change(s) on reverse side.

Return Service Requested

**PLEASE RETURN THIS PORTION WITH YOUR PAYMENT**

U S Penitentiary  
 Attn: Controller  
 PO Box 2067  
 Inez, KY 41224-2067



RETURN THIS PORTION WITH PAYMENT  
 RETAIN THIS SECTION FOR YOUR RECORDS

**Prestonsburg City's Utilities Commission**  
 2560 South Lake Drive  
 Prestonsburg, KY 41653-1368

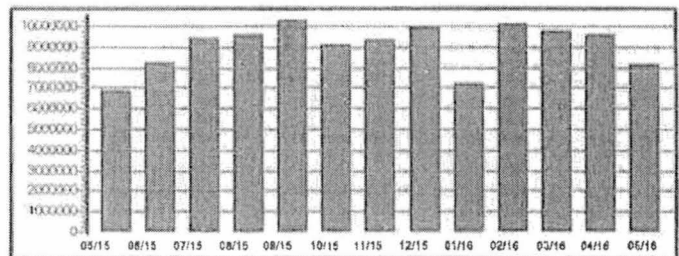
SERVICE DESCRIPTION	METER	ACCOUNT #		ACCOUNT NAME		SERVICE ADDRESS	
		READING DATES	PREVIOUS	PRESENT	USAGE	CHARGES	
WA Water	72016517	04/25 - 05/24	462648500	469442400	6793900	\$65,637.76	
WA Water	72016517	04/25 - 05/24	95047100	96378700	1331600		

**INCLUDES MULTIPLE METERS**

**NOW OFFERING!!! Pay by Phone: 1-855-282-7631 or Pay online:  
[www.prestonsburgwater.com](http://www.prestonsburgwater.com)**

Net Due On or Before	06/15/2016	\$65,637.76
Penalty Amount		
Pay After	06/15/2016	\$65,637.76

COMPARISONS			
Period	Days	Usage	Daily Avg
Current Billing Period		1331600	0.000
Previous Billing Period		0	0.000
Same Period Last Year		0	0.000



2016 Prestonsburg City's Utilities Commission annual quality report is available. This report contains important information about your drinking water. Please go to [www.prestonsburgwater.com/water-quality](http://www.prestonsburgwater.com/water-quality) to view your 2016 annual water quality report or to request a paper copy call (606)886-6871.



**Prestonsburg City's Utilities Commission**

2560 South Lake Drive  
 Prestonsburg, KY 41653-1038  
 Office Hours Mon-Fri 8:00 AM to 5:00 PM  
 Phone (606) 885-0671 Fax (606) 886-9865  
 Kentucky Rate #711



Net Due On or Before	05/15/2016	\$77,059.88
Penalty Amount		
Pay After	05/15/2016	\$77,059.88

Make Check Payable to: Prestonsburg City's Utilities Commission

Check box if your address is incorrect. Indicate change(s) on reverse side.

Return Service Requested

**PLEASE RETURN THIS PORTION WITH YOUR PAYMENT**

U S Penitentiary  
 Attn: Controller  
 PO Box 2067  
 Inez, KY 41224-2067



RETURN THIS PORTION WITH PAYMENT  
 RETAIN THIS PORTION FOR YOUR RECORDS

**Prestonsburg City's Utilities Commission**  
 2560 South Lake Drive  
 Prestonsburg, KY 41653-1368

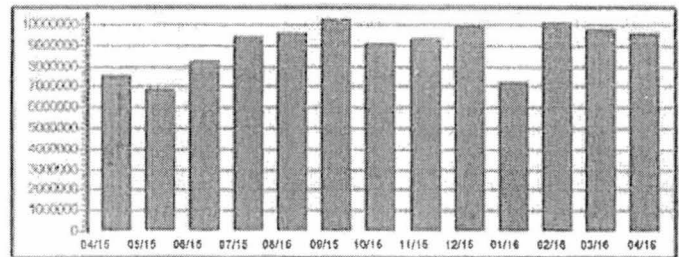
SERVICE DESCRIPTION	METER	READING DATES	ACCOUNT NAME		SERVICE ADDRESS		CHARGES
			PREVIOUS	PRESENT	USAGE		
WA Water	72016517	03/25 - 04/25	454545300	462648500	8103200	\$77,059.88	
WA Water	72016517	03/25 - 04/25	93592200	95047100	1454900		

**INCLUDES MULTIPLE METERS**

**NOW OFFERING!!! Pay by Phone: 1-855-282-7631 or Pay online:  
 www.prestonsburgwater.com**

Net Due On or Before	05/15/2016	\$77,059.88
Penalty Amount		
Pay After	05/15/2016	\$77,059.88

COMPARISONS			
Period	Days	Usage	Daily Avg.
Current Billing Period		1454900	0.000
Previous Billing Period		0	0.000
Same Period Last Year		0	0.000





**Prestonsburg City's Utilities Commission**  
 2560 South Lake Drive  
 Prestonsburg, KY 41653-1048  
 Office Hours Mon-Fri 8:00 AM to 5:00 PM  
 Phone (606) 856-6871 Fax (606) 856-9885  
 Kentucky Relay #711



Make Checks Payable to: Prestonsburg City's Utilities Commission

Return Service Requested

ACCOUNT #		
Net Due On or Before	04/15/2016	\$78,602.66
Penalty Amount		\$19,650.67
Pay After	04/15/2016	\$98,253.33

Check box if your address is incorrect, indicate change(s) on reverse side

**PLEASE RETURN THIS PORTION WITH YOUR PAYMENT**

U S Penitentiary  
 Attn: Controller  
 PO Box 2067  
 Inez, KY 41224-2067



RETURN THIS PORTION WITH PAYMENT  
 RETAIN THIS SECTION FOR YOUR RECORDS

**Prestonsburg City's Utilities Commission**  
 2560 South Lake Drive  
 Prestonsburg, KY 41653-1368

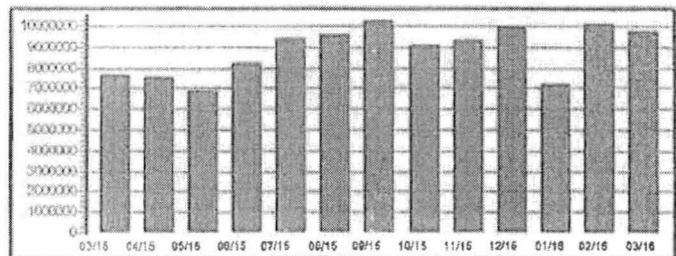
SERVICE DESCRIPTION	METER	ACCOUNT #		ACCOUNT NAME		SERVICE ADDRESS	
		READING DATES	PREVIOUS	PRESENT	USAGE	CHARGES	
WA Water	72016517	02/23 - 03/25	446255100	454545300	8290200	\$78,602.66	
WA Water	72016517	02/23 - 03/25	92130800	93592200	1461400		

**INCLUDES MULTIPLE METERS**

**NOW OFFERING!!! Pay by Phone: 1-855-282-7631 or Pay online:  
[www.prestonsburgwater.com](http://www.prestonsburgwater.com)**

Net Due On or Before	04/15/2016	\$78,602.66
Penalty Amount		\$19,650.67
Pay After	04/15/2016	\$98,253.33

COMPARISONS			
Period	Days	Usage	Daily Avg.
Current Billing Period		1461400	0.000
Previous Billing Period		0	0.000
Same Period Last Year		0	0.000





**Prestonsburg City's Utilities Commission**

2560 South Lake Drive  
 Prestonsburg, KY 41653-1048  
 Office Hours Mon-Fri 8:00 AM to 5:00 PM  
 Phone (606) 896-6871 Fax (606) 896-9886  
 Kentucky Relay #711

Make Checks Payable to: Prestonsburg City's Utilities Commission



ACCOUNT #		
Net Due On or Before	03/15/2016	\$79,949.46
Penalty Amount		\$19,987.37
Pay After	03/15/2016	\$99,936.83

Check box if your address is incorrect. Indicate change(s) on reverse side.

**PLEASE RETURN THIS PORTION WITH YOUR PAYMENT**

U S Penitentiary  
 Attn: Controller  
 Po Box 2067  
 Inez, KY 41224



RETURN THIS PORTION WITH PAYMENT  
 RETAIN THIS SECTION FOR YOUR RECORDS

**Prestonsburg City's Utilities Commission**  
 2560 South Lake Drive  
 Prestonsburg, KY 41653-1368

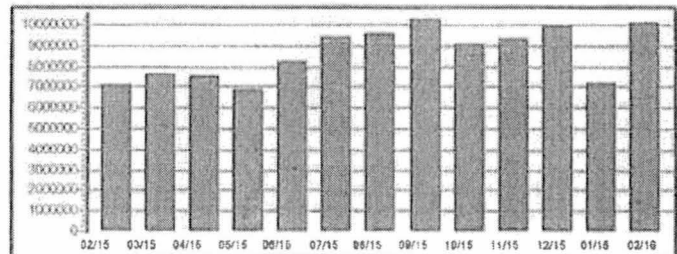
SERVICE DESCRIPTION	METER	READING DATES	ACCOUNT NAME		SERVICE ADDRESS		CHARGES
			PREVIOUS	PRESENT	USAGE		
WA Water	72016517	01/27 - 02/23	439136000	446255100	7119100		\$79,949.46
WAC Meter Changeout	72016517	01/21 - 01/27	16755700	18203600	1447900		
WA Water	72016517	01/27 - 02/23	90853500	92130800	1277300		
WAC Meter Changeout	72016517	01/21 - 01/27	3258300	3532500	274200		

**INCLUDES MULTIPLE METERS**

**NOW OFFERING!!! Pay by Phone: 1-855-282-7631 or Pay online:  
[www.prestonsburgwater.com](http://www.prestonsburgwater.com)**

Net Due On or Before	03/15/2016	\$79,949.46
Penalty Amount		\$19,987.37
Pay After	03/15/2016	\$99,936.83

COMPARISONS			
Period	Days	Usage	Daily Avg.
Current Billing Period		1277300	0.000
Previous Billing Period		0	0.000
Same Period Last Year		0	0.000





**Prestonsburg City's Utilities Commission**  
 2560 South Lake Drive  
 Prestonsburg, KY 41653-1048  
 Office Hours Mon-Fri 8:00 AM to 5:00 PM  
 Phone (606) 866-8871 Fax (606) 866-9685  
 Kentucky Relay #711



Make Checks Payable to: Prestonsburg City's Utilities Commission

ACCOUNT #		
Net Due On or Before	02/15/2016	\$56,903.39
Penalty Amount		\$14,225.85
Pay After	02/15/2016	\$71,129.24

Check box if your address is incorrect. Indicate change(s) on reverse side.

**PLEASE RETURN THIS PORTION WITH YOUR PAYMENT**

U S Penitentiary  
 Attn: Controller  
 Po Box 2067  
 Inez, KY 41224



RETURNTHESE PORTION WITH PAYMENT  
 RETAIN THIS SECTION FOR YOUR RECORDS

**Prestonsburg City's Utilities Commission**  
 2560 South Lake Drive  
 Prestonsburg, KY 41653-1368

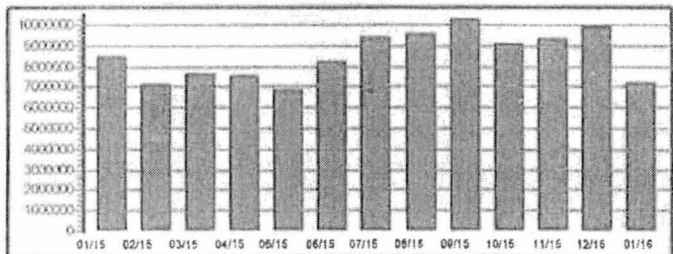
SERVICE DESCRIPTION	METER	READING DATES	PREVIOUS	SERVICE ADDRESS		
				PRESENT	USAGE	CHARGES
WA Water	72016517	12/28 - 01/21	10728600	16755700	6027100	\$56,903.39
WA Water	72016517	12/28 - 01/21	2115100	3258300	1143200	

**INCLUDES MULTIPLE METERS**

**NOW OFFERING!!! Pay by Phone: 1-855-282-7631 or Pay online:  
[www.prestonsburgwater.com](http://www.prestonsburgwater.com)**

Net Due On or Before	02/15/2016	\$56,903.39
Penalty Amount		\$14,225.85
Pay After	02/15/2016	\$71,129.24

COMPARISONS			
Period	Days	Usage	Daily Avg.
Current Billing Period		1143200	0.000
Previous Billing Period		0	0.000
Same Period Last Year		0	0.000







**Prestonsburg City's Utilities Commission**  
 2560 South Lake Drive  
 Prestonsburg, KY 41653-1046  
 Office Hours Mon-Fri 8:00 AM to 5:00 PM  
 Phone (606) 886-0571 Fax (606) 886-8965  
 Kentucky Relay #711



ACCOUNT #		
Net Due On or Before	08/15/2016	\$80,147.82
Penalty Amount		
Pay After	08/15/2016	\$80,147.82

Make Checks Payable to: Prestonsburg City's Utilities Commission

Check box if your address is incorrect. Indicate change(s) on reverse side.

Return Service Requested

**PLEASE RETURN THIS PORTION WITH YOUR PAYMENT**

U S Penitentiary  
 Attn: Controller  
 PO Box 2067  
 Inez, KY 41224-2067



RETURN THIS PORTION WITH PAYMENT  
 RETAIN THIS SECTION FOR YOUR RECORDS

**Prestonsburg City's Utilities Commission**  
 2560 South Lake Drive  
 Prestonsburg, KY 41653-1368

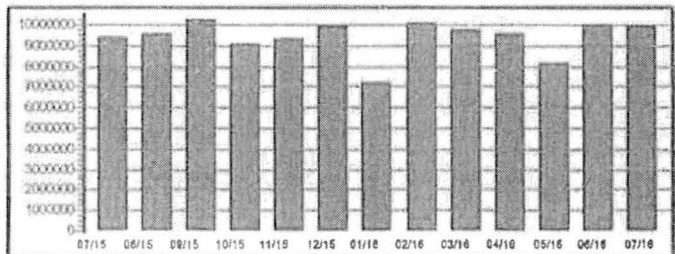
SERVICE DESCRIPTION	METER	ACCOUNT #		ACCOUNT NAME		SERVICE ADDRESS	
				U S PENITENTIARY		1197 AIRPORT ROAD	
		READING DATES	PREVIOUS	PRESENT	USAGE	CHARGES	
WA Water	72016517	06/23 - 07/25	478034700	486480800	8446100	\$80,147.82	
WA Water	72016517	06/23 - 07/25	97812200	99311500	1499300		

**INCLUDES MULTIPLE METERS**

**NOW OFFERING!!! Pay by Phone: 1-855-282-7631 or Pay online:  
[www.prestonsburgwater.com](http://www.prestonsburgwater.com)**

Net Due On or Before	08/15/2016	\$80,147.82
Penalty Amount		
Pay After	08/15/2016	\$80,147.82

COMPARISONS			
Period	Days	Usage	Daily Avg.
Current Billing Period		1499300	0.000
Previous Billing Period		0	0.000
Same Period Last Year		0	0.000



**Prestonsburg City Utilities  
Customer History Report**

Service Type All  
 AR Code All  
 Beginning Date 12/31/2014  
 Ending Date 01/01/2016

Use Reading Factor   
 Start Balance With Zero   
 Print Breakdown By  Transaction  Service  Taxes  Totals Only  
 Print Transaction in Descending Order

History For Account						U S Penitentiary				
Trn Date	Void	Post By	Code	Description	Service Description	Usage	heck #	Amount	napped	Balance
01/08/15	<input type="checkbox"/>	mgoble	WEB	Web Payment	Water	17	0	(\$59,296.01)	\$0.00	\$0.00
01/29/15		mgoble	WAT	Water Billing	Water	17	8,492,000	\$65,313.08	\$0.00	\$65,313.08
02/12/15	<input type="checkbox"/>	mgoble	WEB	Web Payment	Water	17	0	(\$65,313.08)	\$0.00	\$0.00
02/26/15		mgoble	WAT	Water Billing	Water	17	7,102,500	\$54,777.90	\$0.00	\$54,777.90
03/13/15	<input type="checkbox"/>	mgoble	WEB	Web Payment	Water	17	0	(\$54,777.90)	\$0.00	\$0.00
03/30/15		mgoble	WAT	Water Billing	Water	17	7,617,300	\$60,397.58	\$0.00	\$60,397.58
04/09/15	<input type="checkbox"/>	mgoble	WEB	Web Payment	Water	17	0	(\$60,397.58)	\$0.00	\$0.00
04/29/15		mgoble	WAT	Water Billing	Water	17	7,589,700	\$60,181.83	\$0.00	\$60,181.83
05/11/15	<input type="checkbox"/>	mgoble	WEB	Web Payment	Water	17	0	(\$60,181.83)	\$0.00	\$0.00
05/28/15		mgoble	WAT	Water Billing	Water	17	6,883,900	\$54,664.60	\$0.00	\$54,664.60
06/15/15	<input type="checkbox"/>	mgoble	WEB	Web Payment	Water	17	0	(\$54,664.60)	\$0.00	\$0.00
06/29/15		mgoble	WAT	Water Billing	Water	17	8,229,300	\$65,181.59	\$0.00	\$65,181.59
07/13/15	<input type="checkbox"/>	dbentley	ACH	ACH Payment	Water	17	0	(\$65,181.59)	\$0.00	\$0.00
07/30/15		mgoble	WAT	Water Billing	Water	17	9,398,100	\$74,318.10	\$0.00	\$74,318.10
08/13/15	<input type="checkbox"/>	mgoble	WEB	Web Payment	Water	17	0	(\$74,318.10)	\$0.00	\$0.00
08/28/15		mgoble	WAT	Water Billing	Water	17	9,606,400	\$75,946.38	\$0.00	\$75,946.38
09/11/15	<input type="checkbox"/>	mgoble	WEB	Web Payment	Water	17	0	(\$75,946.38)	\$0.00	\$0.00
09/29/15		mgoble	WAT	Water Billing	Water	17	10,261,200	\$81,064.95	\$0.00	\$81,064.95
10/12/15	<input type="checkbox"/>	mgoble	WEB	Web Payment	Water	17	0	(\$81,064.95)	\$0.00	\$0.00
10/29/15		mgoble	WAT	Water Billing	Water	17	9,059,800	\$71,673.61	\$0.00	\$71,673.61
11/09/15	<input type="checkbox"/>	mgoble	WEB	Web Payment	Water	17	0	(\$71,673.61)	\$0.00	\$0.00
11/25/15		mgoble	WAT	Water Billing	Water	17	9,291,600	\$73,485.59	\$0.00	\$73,485.59
12/09/15	<input type="checkbox"/>	mgoble	WEB	Web Payment	Water	17	0	(\$73,485.59)	\$0.00	\$0.00
12/30/15		mgoble	WAT	Water Billing	Water	17	9,927,000	\$78,452.51	\$0.00	\$78,452.51
<b>Total For Selection</b>								<b>\$19,156.50</b>	<b>\$0.00</b>	<b>\$19,156.50</b>
<b>Ending Balance</b>								<b>\$71,346.86</b>	<b>\$0.00</b>	<b>\$71,346.86</b>

## PROCUREMENT & PROPERTY BRANCH

PUBLIC UTILITY SERVICES - WATER

Prestonsburg City's Utilities Commission  
2560 South Lake Drive  
Prestonsburg, KY 41653-1048

PURCHASE ORDER No. 07410470

at

UNITED STATES PENITENTIARY  
(BIG SANDY)  
1179 Airport Road  
Inez, Kentucky 41224

### CONSTRUCTION CONTRACTING SECTION

Attention: Freelon Payton, III  
320 First Street, N.W., Room 5006  
Washington, D.C. 20534  
Telephone: (202) 307-0954  
Facsimile: (202) 616-6055

**PROCUREMENT & PROPERTY BRANCH**

Construction Contracting Section

Washington, DC 20534

Tel: (202) 307-0954

Fax: (202) 616-6055

Contract: **Public Utility Service - Water**

Order Number:

Contractor: Prestonsburg City's Utilities Commission  
Water, Waste Water, and Natural Gas  
2560 South Lake Drive  
Prestonsburg, Kentucky 41653-1048

Telephone Number: (606) 886-6871

Facsimile Number: (606) 886-8779

Issuing Contracting  
Officer: Freelon Payton, III

Bureau of Prisons: United States Penitentiary  
(Big Sandy)  
1179 Airport Road  
Inez, Kentucky 41224

Contracting Officer's  
Technical Represent: Harry Conroy, Construction Representative  
Danny R. Smith, Construction Representative

Telephone Number: (606) 298-4544

Facsimile Number: (606) 298-6837

Contract  
Administrator: Freelon Payton, III, Contracting Officer  
Construction Contracting Section, Washington, DC

Disbursing Office: U. S. Department of Justice/Federal Bureau of Prisons  
Financial Management/Budget & Accounting Officer  
Washington, D.C.

Contract Terms: See Section VII.A of Purchase Order

Contract Period: February 1, 2001 through January 31, 2011

Revised 07/06/00

07-20-00 11:42 FAX 2020100055

CGS CENTRAL OFFICE

0000

(OMB # 1103-0018 Expires 2/28/2002)

**ORDER FOR SUPPLIES OR SERVICES**

PAGE OF PAGES

1 16

IMPORTANT: Mark all packages and papers with contract and/or order numbers.

1. DATE OF ORDER 07-05-00		2. CONTRACT NO. (if any)		6. SHIP TO	
3. ORDER NO. 07410470		4. REQUISITION/REFERENCE NO. 0263		a. NAME OF CONSIGNEE	
5. ISSUING OFFICE (Address correspondence to) Federal Bureau of Prisons Construction Contracting 320 1st St. NW Room 500-6 Washington DC 20534				b. STREET ADDRESS	
		7. TO:		c. CITY	
				d. STATE	
				e. ZIP CODE	
				f. SHIP VIA	
				g. TYPE OF ORDER	
a. NAME OF CONTRACTOR Prestonsburg City's Utilities		b. COMPANY NAME Prestonsburg City's Utilities Commission		<input checked="" type="checkbox"/> b. PURCHASE - Reference Your Please furnish the following on the terms and conditions specified on both sides of this order and on the attached sheet, if any, including delivery as indicated.	
c. STREET ADDRESS 2560 South Lake Drive		d. CITY Prestonsburg		<input type="checkbox"/> b. DELIVERY - Except for billing instructions on the reverse, this delivery order is subject to instructions contained on this side only of this form and is issued subject to the terms and conditions of the above-numbered contract.	
e. STATE KY		f. ZIP CODE 41853		10. REQUISITIONING OFFICE	
8. ACCOUNTING AND APPROPRIATION DATA X3-FPC70032PX-B17-274-2314 Yreg Doc #07410470 - \$736,668.00				11. BUSINESS CLASSIFICATION (Check appropriate box(es)) <input type="checkbox"/> SMALL <input checked="" type="checkbox"/> OTHER THAN SMALL <input type="checkbox"/> DISADVANTAGED <input type="checkbox"/> WOMEN-OWNED	
13. PLACE OF		14. GOVERNMENT D/L NO.		16. DELIVER TO P.O.B. POINT ON OR BEFORE (Date)	
a. INSPECTION		b. ACCEPTANCE		16. DISCOUNT TERMS Net 30	

17. SCHEDULE (See reverse for selections)

ITEM NO. (a)	SUPPLIES OR SERVICES (b)	QUANTITY ORDERED (c)	UNIT (d)	UNIT PRICE (e)	AMOUNT (f)	QUANTITY ACCEPTED (g)
1	The Contractor shall provide water and combustion for the United States Penitentiary at Big Sandy, Inez, Kentucky. (See the attached bid information pages for details)  SIC: 4941 Size Standard: \$5 million	10	years			

18. SHIPPING POINT		19. GROSS SHIPPING WEIGHT		20. INVOICE NO.		7(h) TOT. (Cont. pages)
21. MAIL INVOICE TO:						
a. NAME Federal Bureau of Prison						17(j) GRAND TOTAL
b. STREET ADDRESS (or P.O. Box) 629 First Street, N.W., Room 5000						
c. CITY Washington		d. STATE DC		e. ZIP CODE 20534		
22. UNITED STATES OF AMERICA						\$4,076,618.00

23. NAME (Typed)  
Richard J. Formella  
TITLE: CONTRACTING/ORDERING OFFICER

BY (Signature) *Richard J. Formella*

AUTHORIZED FOR LEGAL REPRODUCTION  
Previous edition not usable

OPTIONAL FORM 347 (REV. 5-78)  
Prescribed by GSA/FAR 48 CFR 53.213 (e)



FAX

**To:** Sheldon Horne, Superintendent  
 Prestonsburg City's Utilities Commission  
 2560 South Lake Drive  
 Prestonsburg, Kentucky 41653

**Fax #:** 606-886-8779      **Telephone#:** 606-886-6871

**Subject:** Proposed Modification for Public Utility Water Service  
 United States Penitentiary (Big Sandy), Inez, KY  
 Purchase Order No. 07410470, Modification No. 002

**Date:** August 2, 2001

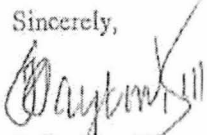
**Pages:** - 2 - (including cover sheet)

Dear Mr. Horne,

Attached you will find a revision to page two of the proposed modification that was forward to you on July 30, 2001 for the connection fee for the standby water system facilities required for the United States Penitentiary (Big Sandy) located in Inez, Kentucky.

A copy will also be sent to Prestonsburg's attorney, C. Kent Hatfield, Esquire. Please read the document carefully. If you are in agreement, please sign the modification and contractor's statement of release found on the bottom of page two, and fax the document to my attention at (202) 616-6055.

Your assistance in this matter is greatly appreciated. If there are any questions, please feel free to call me at (202) 307-0954.

Sincerely,  
  
 F. Payton, III

Have a nice day!

shorne.h02

From the desk of...

**Freelon Payton, III**  
 Contracting Officer  
 Construction Contracting Section  
 Procurement and Property Branch  
 320 First Street, N.W., Room 5006  
 Washington, D.C. 20534

Tel: (202) 307-0954  
 Fax: (202) 616-6055

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT			1. CONTRACT ID CODE	PAGE OF PAGES 1   2
2. AMENDMENT/MODIFICATION NO. 0002	3. EFF. DATE 05/31/01	4. REQUISITION/PURCHASE REQ NO. 0230	5. PROJECT NO. (If applicable) XH7	
6. ISSUED BY CODE		7. ADMINISTERED BY (If other than Item 6) CODE		
Dept of Justice/Bureau of Prisons Procurement & Property Branch Construction Contracting Section 320 First Street, N.W., Suite 5006 Washington DC 20534		Dept of Justice/Bureau of Prisons Procurement & Property Branch Construction Contracting Section 320 First Street, N.W., Suite 5006 Washington DC 20534		
8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State and Zip Code)			9A. AMENDMENT OF SOLICITATION NO.	
Prestonsburg City's Utilities Com Sheldon D. Horne Superintendent 2160 South Lake Drive Prestonsburg KY 41653-1048				
9B. DATED (SEE ITEM 11)				
9C. MODIFICATION OF CONTRACT/ORDER NO.			X	
08427557			07910470 /	
FACILITY CODE			9D. DATED (SEE ITEM 11)	
			07/05/2000	

11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS

The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of offers is extended.  is extended  is not extended. Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended by one of the following methods:

- (a) By completing Items 8 and 15, and returning \_\_\_\_\_ copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire an change in offer delivery submission such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

12. ACCOUNTING AND APPROPRIATION DATA (If required)

X3 FP070032Z 000 XH7 2514 (Connection Fee Only) YRgddce IH10026 5346.480 00  
DUNS 08427557 TD

13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS. IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14

A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.

B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (Such as changes in pricing office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103 (a).

X C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF Mutual Agreement of Parties

D. OTHER (Specify type of modification and authority)

E. IMPORTANT: Contractor  is not  is referred to sign this document and return \_\_\_\_\_ copies to issuing office.

14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)  
Modification required to supplement connection fee. See attached page

Except as provided herein, all terms and conditions of the document referenced in Item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.

15A. NAME AND TITLE OF SIGNER (Type or print) Sheldon D. Horne Superintendent	16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) F. Puyton, III, Contracting Officer Construction Contracting
15B. CONTRACTOR/OFFICER <i>Sheldon D. Horne</i> (Signature of person authorized to sign)	15C. DATE SIGNED 05/31/01
15D. UNITED STATES OF AMERICA BY _____ (Signature of Contracting Officer)	16C. DATE SIGNED

The modification is required to:

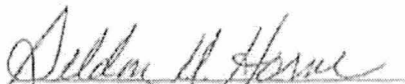
1. Defer the \$21,655 minimum monthly service fee requirement that was to begin February 1, 2001 for a maximum of sixteen months beginning May 1, 2001 until the institution activation date. The anticipated commence date for public utility water service to be provided to the United States Penitentiary (USP) is May 1, 2002, but no later than August 1, 2002. After the activation of the institution, the minimum monthly service fee shall remain in effect throughout the duration of the contract. Page 2, last paragraph, period of performance for service shall be revised to reflect: **The period of performance for service shall be from May 1, 2002 through April 30, 2011.**
2. Supplement the one time non-refundable connection fee of \$736,868.00 with an increase not to exceed \$346,480.00. Revise the connection fee. The standby water system facilities connection fee shall be disbursed as follows:  
  
Initial payment: \$259,860 upon receipt of a proper invoice.  
  
Final payment: Up to and not to exceed \$86,620. This payment shall be contingent upon the USP completion and establishment of institution activation date.
3. **This contract does not obligate funds for the annual public utility water service. Funds for the public utility water service will be obligated at a future date via accounting and appropriation data to be determined the Federal correctional facility.**


All other terms and conditions of the contract shall remain the same.

Total Contract Estimated Amount to Date:	\$ 736,868.00
This Modification (Estimated):	346,480.00
New Contract Estimated Amount:	\$1,083,348.00

Contractor's Statement of Release

In consideration of the modification agreed to herein as complete and equitable adjustments for the contractor's work required in the above items numbered 1 and 2, The contractor hereby releases the Government from any and all liability under this contract for further equitable adjustments (cost or time) attributed to such factors or circumstances giving rise to this modification.

  
Sheldon D. Horne, Superintendent

  
Date



**PURCHASE ORDER CONTINUATION SHEET - WATER SERVICE**

Purchase Order No.:

Contractor: Prestonsburg City's Utilities Commission of  
Prestonsburg, Kentucky

1. One time non-refundable water service connection/installation charge for USP Big Sandy, Kentucky.

Authority Cited Title: 31 U.S.C. 1501(a) (8)

Complete connection to be available by February 1, 2001.

**TOTAL CONNECTION FEE: \$736,868**

2. The estimated average daily volume of water purchased is 300,000 gallons, and the estimated total annual volume of water purchased is 109,500,000 gallons. Estimated annual water cost based upon 109,500,000 gallons per year is \$333,975.00. Water shall be delivered to the point of connection through a 16" ductile iron pipe with a pressure of 97 psi at an estimated flow of 1100 gpm. Fire flow must be available for a minimum duration of 120 minutes at an estimated flow of up to 2,000 gpm. FCUC shall provide designated storage in the amount of not less than 540,000 gallons, for fire and domestic use.

Contractor shall deliver, and BOP shall purchase quantities of water not to exceed 540,000 gallons per day of 24 hours, and not to exceed 10,020,000 gallons per month. The daily and monthly amounts are inclusive of usage for fire protection as requested by BOP.

**Rate:**

First 7,100,000 gallons each month = \$21,655.00.

For all over 7,100,000, at \$3.05 per 1000 gallons.

BOP minimum bill obligations for service supplied under this purchase order shall not be less than \$21,655.00 per month, plus applicable termination liability as set forth in 49 C.F.R. 41.101.

The period of performance for service is from February 1, 2001 to January 31, 2011.

Estimated annual water cost for 10 years	\$3,339,750
Plus one time non-refundable connection fee	\$ 736,868
Total estimated purchase order amount for ten year period	\$4,076,618

In the event funding is not available for any given year resulting in termination of services hereunder, BOP shall pay a termination charge equal to the number of months remaining under the period of performance multiplied by the monthly minimum bill obligation of \$21,655.00.

Purchase Order Number \_\_\_\_\_ dated (See block #1 of the OF-347), includes water service for a one (1) year period with an estimated water cost of \$333,975, and the one time non-refundable connection charge of \$736,868. The Purchase Order for water service shall be renewed annually for a period of ten years.

Prestonsburg City's Utilities Commission's proposal letter dated May 16, 2000, is hereby incorporated.

I. WATER SERVICE REQUIREMENTS:

A. Prestonsburg City's Utilities Commission, Prestonsburg, Kentucky Responsibilities

1. Prestonsburg City's Utilities Commission (PCUC) agrees to sell the BOP water service for the USP. However, in no event shall PCUC be required to provide an amount of water that exceeds 340,000 gallons per day of twenty four hours or an amount to exceed 10,020,000 gallons per month.
2. The PCUC agrees, either directly or through sub-contractors as set forth in Attachment No.5, to provide and maintain the necessary distribution and treatment systems to deliver domestic and fireflow water service to the point of connection with the BOP facility.
3. The PCUC shall commence any work required to provide water service to the BOP upon full signature of this Agreement by all parties. PCUC shall supply water service to the USP as specified above, to the point of connection no later than February 1, 2001 and full service shall commence at such time as the BOP assumes responsibility for the new institution from its construction contractor, as notified by the Contracting Officer (CO); whichever is the earlier date.

4. The PCUC will exercise reasonable care and diligence in an endeavor to supply service continuously and without interruption but does not guarantee continuous service and shall not be liable for any loss or damage resulting from interruption, reduction, delay or failure of water service not caused by the willful negligence of PCUC.

**B. BOP Responsibilities**

1. The BOP agrees to purchase water service and storage capacity from PCUC for the everyday needs and proper operation of the USP.
2. The BOP agrees to pay the PCUC a connection fee as set forth in Attachment Number 4.
3. The BOP shall satisfy all of its water requirements for the USP by purchasing water service from the PCUC to accommodate an estimated daily use of 300,000 gallons. These usage amounts are estimates only, for the benefit of the PCUC and are not a guarantee of use or revenue. However, the BOP agrees to pay the PCUC at least the minimum monthly bill for service supplied under this purchase order of \$21,055 per month beginning February 1, 2001.

**C. Liability and Force Majeure**

**Liability:** Neither party shall be liable or responsible for damage or injury to any person or property occasioned through the use or operation of the other party's facilities or the action of the other party, its employees or agents in performing under this contract.

**Force Majeure:** Neither the BOP nor PCUC shall be considered to be in default with respect to any obligations under this contract by reason of uncontrollable forces. The term "uncontrollable forces" shall be deemed, for the purposes of this Purchase Order, to mean any cause beyond the control of the party affected, including but not limited to failure of facilities, flood, earthquake, storm, lightning, fire, epidemic, war, riot, civil disturbance, labor disturbance, sabotage, and restraint by a court of public authority, which, by exercise of due diligence and foresight, such party could not reasonably have been expected to avoid.

Either party rendered unable to fulfill any obligations by reason of uncontrollable forces shall exercise due diligence to remove such inability with all reasonable dispatch.

## II. RATES AND RATE CHANGES

- A. Monthly water service charges billed to the USP under this Agreement shall be based on the actual volumes of metered water use, subject to the minimum bill requirements.
- B. The PCUC agrees that throughout the life of this Agreement, the water rates will not be in excess of published and unpublished rates charged to any other retail customer of the same class under similar terms and conditions of use and service. At the execution of Purchase Order Number 07410470, dated (See block #1 of the OP-347), PCUC has no other customer in the same class as the BOP.
- C. Should the PCUC replace or revise the rate schedule specified in Attachment Number 2 during the term of the Agreement, the PCUC shall notify the BOP Contracting Officer (CO) in writing. At such time, rates may be adjusted to reflect changes in the actual cost of providing service as approved by a resolution of the Prestonsburg City's Utilities Commission. The new rate shall take effect on the next monthly service billing.

## III. INVOICES AND PAYMENT FOR SERVICES

- A. PCUC invoices for payment shall contain, at a minimum, the water service charges and a statement of the actual water meter readings at the beginning and the end of the billing period. Additional billing information may, at the discretion of PCUC, be supplied upon the written request of the BOP. Invoices for service shall be rendered by PCUC to: United States Penitentiary, 1197 Airport Road, Incz, Kentucky 41224. ATTN: Controller.

Since all Federal agencies are exempt from payment of excise tax, the BOP is not required to pay any taxes which are incident on the consumer alone (i.e., state tax, excise tax).

- B. BOP payment of all invoices for services rendered under this Agreement shall be made in accordance with the payment provisions contained in this agreement. The BOP shall be provided, or entitled to similar rates, as provided to any other retail users of similar magnitude, currently being served by the PCUC.

00:20:00 11:45 FAX 2020107 9

CCS CENTRAL OFFICE

009

The Bureau of Prison/United States Penitentiary at Big Sandy shall be responsible for payment of water service charges rendered.

- C. Except for the non-refundable connection fee, the BOP payments will not be made in advance of services rendered. The USP shall effect payment of all bills for services rendered under this Agreement within 30 days of the receipt of an invoice. Interest will be paid on any invoice paid after the 30 day period. Should any bill remain unpaid after 60 days from the date of invoice, PCUC reserves the right to disconnect water services upon ten days written notice.
- D. Each BOP payment made to PCUC for water service shall include PCUC's billing stub and the BOP's payment document(s), containing BOP's customer account number and dollar amount assigned to the account for the specific payment.
- E. Should any meter fail to measure accurately the water passing through said meter, the charge for water service used during the time the meter is out of service shall be based on the estimated volume of water supplied as jointly determined and agreed upon by the PCUC and the USP by usage averages and statistics for prior periods. An appropriate adjustment will be made to the next monthly USP water service bill after agreement is reached on the volume of water delivered during such period. A meter shall be deemed accurate if, when tested, it registers within plus or minus two percent (+- 2%) of normal.

#### IV. POINTS OF CONTACT

Communications: All communications between the PCUC and the BOP relating to the terms of this Agreement shall be conducted through the following points of contact:

Federal Bureau of Prisons  
Construction Contracting Section  
320 First Street, N.W. - 5006  
Washington, DC 20534  
Attn: Mr. Freelon Payton, CO

Phone: (202) 307-0954  
FAX: (202) 616-6035

Prestonsburg City's Utilities Commission  
2560 South Lake Drive  
Prestonsburg, Kentucky 41653  
Attn: Melissa K. Conn, Accountant

Telephone: (606) 886-6871  
Facsimile: (606) 886-8779

#### V. CONNECTION CHARGE

##### A. PCUC Responsibilities

1. PCUC, either directly or through sub contractors as set forth in Attachment No. 5, shall provide complete turnkey water storage capacity availability and distribution facilities adequate to meet the service obligations under this Purchase Order.

In the event that the PCUC desires other capital improvements to facilities, either directly or jointly providing service to the USP, that are used to serve other customers, the PCUC shall not seek a recovery via a connection charge from the USP for such other capital improvements for performance under this Purchase Order.

2. Notwithstanding the system improvements paid for by the BOP to the PCUC, title to the PCUC's water system, up to and including the point of connection, shall remain in PCUC's name in a manner consistent with Attachment No. 5, and PCUC shall be responsible for any and all loss or damage to the system and its appurtenant facilities. All taxes and other charges in connection therewith, shall be assumed by the PCUC. Nothing in this section shall be construed to preclude PCUC from recovering its reasonable costs through established service rates.

##### C. BOP Responsibilities

1. In consideration of the cost paid by the BOP to improve PCUC's water system facilities to provide the USP with the required services as specified above, the BOP has satisfied PCUC'S requirement of a non-refundable service connection charge associated with the capital improvement of PCUC's existing facilities. This connection charge shall not exceed the cost limitation described in Section VI. below.

- 2. In the event the BOP terminates this Agreement during the construction of the water facilities prior to the commencement of complete and permanent water service, then the BOP shall pay a net cancellation charge equal to the amount of the actual cost, attributable to the BOP's fair share of the improvements, either incurred or for which an obligation exists which shall result in an actual incurred cost. The cancellation charge will include all termination costs, less salvage, plus removal costs, in accordance with the 48 C.F.R. 41.101 in effect on the date that this Agreement is fully signed by the parties. The actual costs of the water facilities shall include all administrative, engineering, right-of-way fees and construction costs, consulting, financing costs, professional fees or similar costs associated with PCUC's fulfilling its obligations under this Agreement.

VI. LIMITATION OF COST

The "One-time", non-refundable service connection fee to be paid by the BOP for the water system facilities to provide service, as specified above, shall not exceed \$736,868.

VII. INVOICE AND PAYMENT FOR CONNECTION CHARGE

A. PCUC Invoice Submission

- 1. The invoice for the connection charge shall be submitted in the amounts specified in item VII. The invoice shall be submitted by PCUC on the date of Purchase Order execution, and best efforts will be made for payment by August 1, 2000. The submission of a proper invoice will be required by PCUC in order to make payment. The allowable costs referred to herein shall be allowable, allocable, and reasonable to this agreement for labor and materials to design, construct, administer the construction of, and inspect the utility improvements, which are consistent with sound and generally accepted utility accounting principles.

Further, the term "cost," as set forth in this section, shall be deemed to mean the costs to PCUC in excess of any grants or payments, (excluding loans) by any Federal, State, or local agency, or from any other source.

2. The invoice submitted by PCUC pursuant to this Agreement, shall be addressed to the Contracting Officer. The CO will appoint a Contracting Officer's Technical Representative (COTR) to review the invoice for conformance within the dollar limits stated herein, and act as the CO's authorized representative to provide analysis within the requirements of this section of the agreement.

B. BOP Payment and Funds Obligation

1. Upon the CO's and COTR's receipt of an invoice submitted by PCUC to the BOP's Contracting Officer, and following final verification by the COTR, and approval by the CO, the BOP shall pay the PCUC the one-time non-refundable connection charge specified in paragraph 2, below, upon receipt of PCUC invoice.
2. The BOP funds for water connection services will be obligated as follows:

Total Water Connection Charge: \$736,868.00

Appropriation Data:

Water Facility Connection Charge - X3-FP070032FX-917-E74-2314

**VIII. ANTIDEFICIENCY ACT**

Nothing contained herein shall be construed to obligate the BOP to any expenditure or obligation of funds in excess or in advance of appropriations in accordance with the Antideficiency Act, 31 U.S.C., Section 1341.



08:29:00 11:40 FAX 2026101

CC9 CENTRAL OFFICE

012

IN WITNESS WHEREOF, the parties hereto have caused their duly authorized officers or agents to execute this Agreement: dated 7/5, 2000.

FEDERAL BUREAU OF PRISONS

BY: Richard J. Trumble

PRESTONBURG CITY'S UTILITIES COMMISSION

BY: Seldon Horne  
SELDON HORNE, SUPERINTENDENT

ATTEST:

C. J. McNally  
C. J. McNALLY, CHAIRMAN

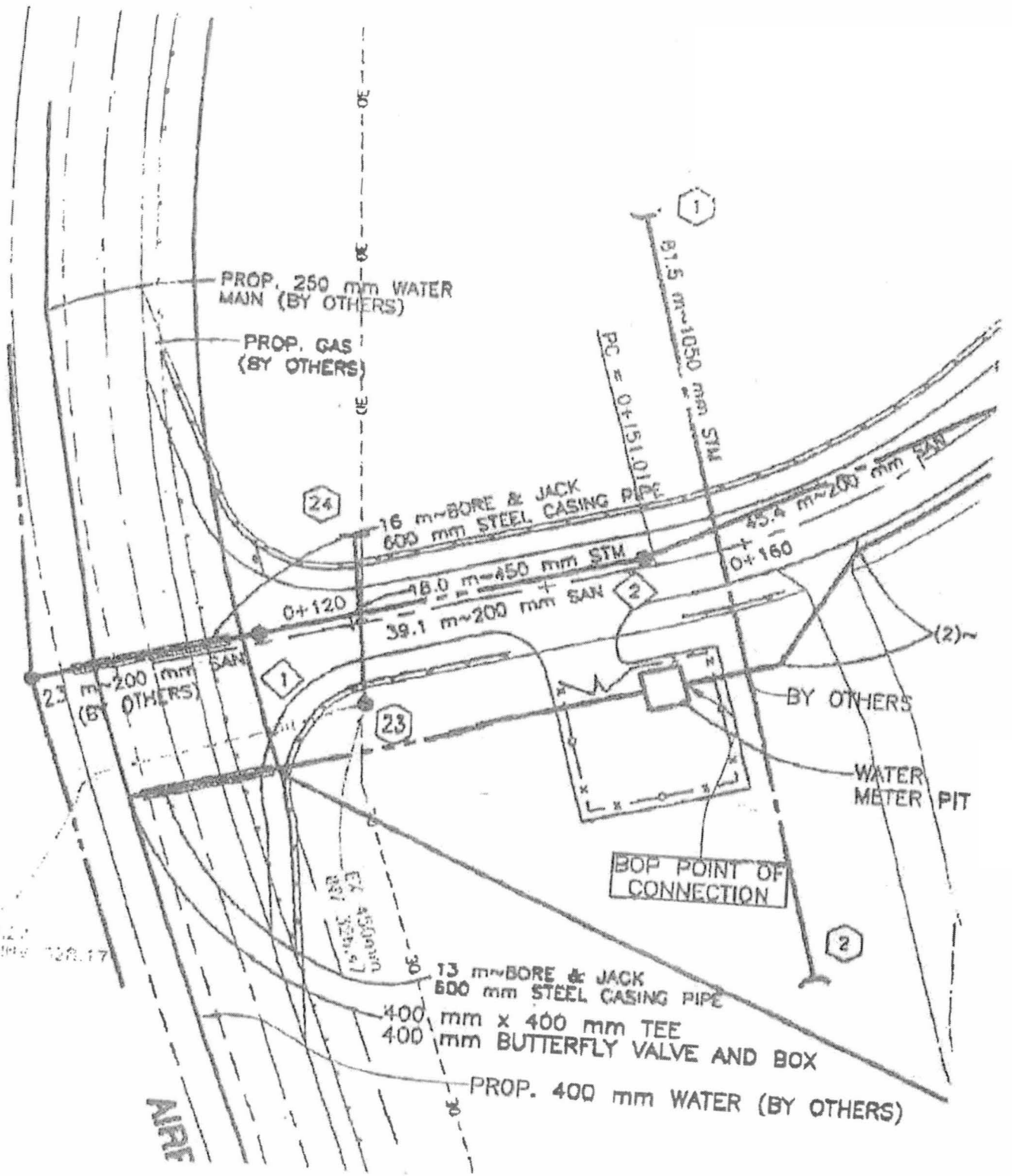
LIST OF ATTACHMENTS

- Attachment No. 1: Site Map/Point of Connection for Water
- Attachment No. 2: Current Water Service Rate Schedule
- Attachment No. 3: Computation of Estimated Cost of Service for Initial Year
- Attachment No. 4: Itemized and Detailed Price Breakdown of any and All Estimated Construction/Capacity and Installation Costs included in the Construction-Related Connection Charge
- Attachment No. 5: Legal Documentation Verifying Contractor's Authorization to Provide Water Service to the Point of Connection shown in Attachment No. 1

ATTACHMENT NO. 3

MAP OF THE USP SITE SHOWING THE EXACT LOCATION OF THE PROPOSED POINT OF CONNECTION OF PCUC WATER SYSTEM TO THE USP SYSTEM. ATTACH AN 8" X 11" MAP AND/OR SCHEMATIC DRAWING(S) SHOWING THE EXACT LOCATION OF PROPOSED POINT OF CONNECTION TO THE USP WATER SYSTEM, LOCATION(S) OF ANY FACILITIES TO BE CONSTRUCTED, AND HOW PCUC PLANS TO DELIVER THE REQUIRED WATER SERVICE TO THE USP.

015



DATE: 29.11  
DIN: 199 128.17

ATTACHMENT NO. 2

ATTACH A COPY OF FCUC'S CURRENTLY EFFECTIVE WATER SERVICE RATE SCHEDULE, INCLUDING ANY APPLICABLE TARIFFS, RIDERS, RULES AND REGULATIONS.

Rate:

First 7,100,000 gallons of water	\$21,655.00 per month
Over 7,100,000 gallons of water per month	\$3.05 per 1,000 gallons

Minimum Monthly Bill:

The minimum monthly bill for service supplied under this Purchase Order shall not be less than \$21,655.00 per month.

ATTACHMENT NO.3

ESTIMATED COST OF WATER SERVICE

INITIAL YEAR OF PURCHASE ORDER  
United States Penitentiary (USP) Big Sandy, Kentucky

(PLEASE PROVIDE SEPARATE CALCULATIONS).

Regular Water Service:

Based on estimated annual usage of 109,500,000 gallons, estimated cost of water during the initial year of contract is \$333,975.00.

ATTACHMENT NO. 4

Connection Charge

To the Purchase Order for Water Service  
At United States Penitentiary (USP) Big Sandy, Kentucky

Capital Required to Satisfy BOP Fire Flow Demand	\$315,836
1/2 of PCUC's Initial Outlay of Capital Costs for Line Extension	397,800
BOP Delivery Point Meter with Telemetry Equipment	22,500
Initial Fire Protection Water (240,000 Gallons)	732
<b>Total Non-Refundable Connection Charge</b>	<b>\$736,868</b>

Attachment No. 5:

Legal Documentation Verifying PCUC's Authorization to Provide  
Water Service to the Point of Connection shown in Attachment No. 1

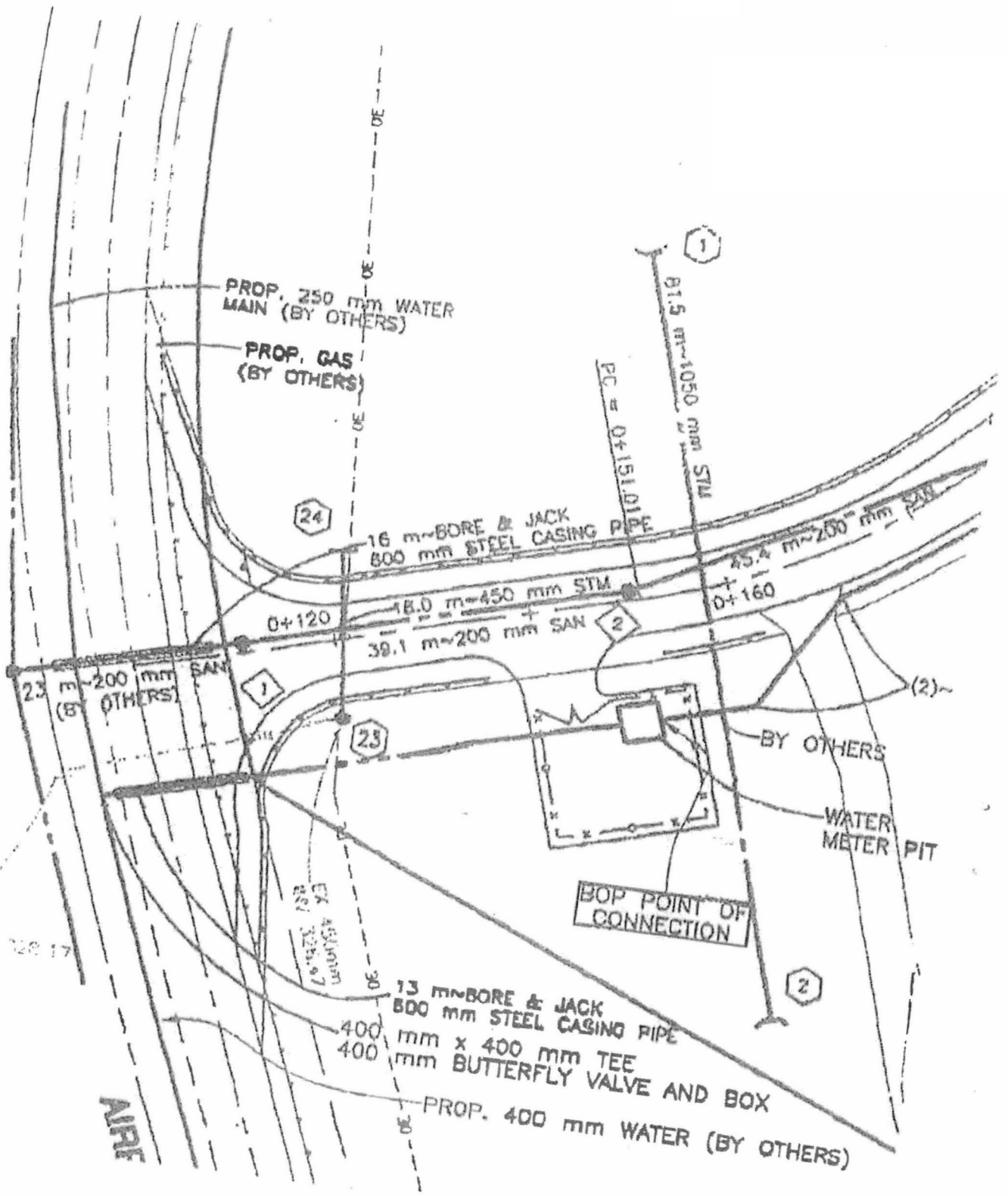
Inter Local Cooperation Agreement

Joint Operation Agreement



## ATTACHMENT NO. 1

MAP OF THE USP SITE SHOWING THE EXACT LOCATION OF THE PROPOSED POINT OF CONNECTION OF PCUC WATER SYSTEM TO THE USP SYSTEM. ATTACH AN 8" X 11" MAP AND/OR SCHEMATIC DRAWING(S) SHOWING THE EXACT LOCATION OF PROPOSED POINT OF CONNECTION TO THE USP WATER SYSTEM, LOCATION(S) OF ANY FACILITIES TO BE CONSTRUCTED, AND HOW PCUC PLANS TO DELIVER THE REQUIRED WATER SERVICE TO THE USP.



P. 1029.27  
Drawn by 120 17



ATTACHMENT NO. 3

ESTIMATED COST OF WATER SERVICE

INITIAL YEAR OF PURCHASE ORDER  
United States Penitentiary (USP) Big Sandy, Kentucky

(PLEASE PROVIDE SEPARATE CALCULATIONS).

Regular Water Service:

Based on estimated annual usage of 109,500,000 gallons, estimated cost of water during the initial year of contract is \$333,975.00.

ATTACHMENT NO. 4

Connection Charge

To the Purchase Order for Water Service  
At United States Penitentiary (USP) Big Sandy, Kentucky

Capital Required to Satisfy BOP Fire Flow Demand	\$315,836
1/2 of PCUC's Initial Outlay of Capital Costs for Line Extension	397,800
BOP Delivery Point Meter with Telemetry Equipment	22,500
Initial Fire Protection Water (240,000 Gallons)	732
<b>Total Non-Refundable Connection Charge</b>	<b>\$736,868</b>

Attachment No. 5:

Legal Documentation Verifying PCUC's Authorization to Provide  
Water Service to the Point of Connection shown in Attachment No. 1

Inter Local Cooperation Agreement

Joint Operation Agreement

**Attachment A**

**Interlocal Cooperation Understanding**

11/10/88

INTERLOCAL COOPERATION AGREEMENT  
FOR THE DEVELOPMENT OF  
UTILITY INFRASTRUCTURE

THIS INTERLOCAL COOPERATION AGREEMENT (the "Agreement") is made and entered into and deemed effective as of the 15th day of January, 1998, by and between the Martin County Fiscal Court, the Johnson County Fiscal Court, the Floyd County Fiscal Court, the Pike County Fiscal Court, the Martin County Water District, the City of Prestonsburg, the City of Paintsville, and the Honey Branch Economic Development Authority, (each a "Party", or collectively the "Parties") each of which is a political subdivision of the Commonwealth of Kentucky (the "Commonwealth").

WHEREAS, under the Interlocal Cooperation Act (the "Act"), Sections 65.210 to 65.300, inclusive, of the Kentucky Revised Statutes, as amended ("KRS"), any power or powers, privileges or authority exercised or capable of exercise by a public agency (including a city, a county 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 Parties are in agreement that it is in their mutual interest to pursue cooperatively economic development opportunities within their jurisdictions; and to this end are currently working to develop the necessary utility infrastructure for a new facility of the Federal Bureau of Prisons ("Bureau") to be constructed at the proposed Honey Branch Industrial Park ("Park") in Martin County;

WHEREAS, Martin County Water District presently operates a water plant of sufficient capacity to serve the Bureau at the Park without the necessity of further water plant expansion, and operates an extensive distribution system with lines located north of and contiguous to the Park and is capable of extending its water service mains in a reliable and expeditious manner in order to meet the needs of the Bureau and the Park; and,

WHEREAS, the City of Prestonsburg, acting in and through the Prestonsburg City's Utilities Commission, presently operates a water plant of sufficient capacity to serve the Park without the necessity of further water plant expansion, and operates an extensive distribution system with lines located south of and contiguous to the Park and is capable of extending its



water service mains in a reliable and expeditious manner in order to meet the needs of the Bureau at the Park; and,

WHEREAS, the City of Paintsville, acting in and through the Paintsville Utilities Commission, presently operates a wastewater collection system and treatment plant and is capable of developing a new treatment plant and collection system and thereby provide wastewater service in a reliable and expeditious manner to the Bureau and the Park; and,

WHEREAS, the Big Sandy Area Development District, a regional planning and development organization, established pursuant to KRS 147A to serve the area, assisted under contract by a professional engineering firm licensed in the Commonwealth of Kentucky, has reviewed several alternative ways to provide water and wastewater service to the Bureau's proposed facility to be located in the Honey Branch Industrial Park, and has determined that water service is best provided to this site by both the Martin County Water District and the Prestonsburg City's Utilities Commission, and that wastewater service is best provided to this site by the Paintsville Utilities Commission; and,

WHEREAS, the Floyd County Fiscal Court, the Johnson County Fiscal Court, the Martin County Fiscal Court, and the Pike County Fiscal Court, have created, by separate agreement, the Honey Branch Industrial Development Authority pursuant to KRS 154; and furthermore do concur with the determination of the Big Sandy Area Development District, and finds it is in the public interest that the Martin County Water District and the Prestonsburg City's Utilities Commission extend their respective water lines to serve the site of the Bureau's proposed facility and that Paintsville Utilities Commission develop a wastewater treatment plant and collection system to serve this facility;

NOW THEREFORE, contingent upon receipt of all required approvals for the location, construction and development of the Bureau's facility in the Park, be it mutually acknowledged and agreed by and among the Parties hereto and so ordered as follows:

1. The Parties hereto agree that the foregoing statements are not mere recitals, but represent legislative findings by the legislative bodies, as appropriate, and as such represent statements of public interest affecting all Parties hereto, including their respective constituencies.
2. That the Martin County Water District, organized pursuant to KRS Chapter 74, does agree to and will take all necessary action to fund, construct, own, and operate an

appropriately sized water service main along KY Route 3 and connecting roadways in Martin County to the Park as an extension of its existing system; in addition, the District will construct a water storage tank and necessary appurtenances in the vicinity of the Park. All action will be taken in accordance with the District's routine operating policy and in accord with its rule of standard procedure in response to the demand for providing quality water service to a presently unserved area of the County and to assure a reliable, quality water service to the Park.

3. That the City of Prestonsburg, acting through the Prestonsburg City's Utilities Commission, does agree to and will take all necessary action to fund, construct, own, and operate an appropriately sized extension of its existing water distribution system, together with necessary appurtenances, along KY Routes 321 and 3 and adjacent roadways through portions of Floyd, Johnson, and Martin Counties, in order to and for the purpose of providing reliable, quality water service to the Federal Prison and related facilities to be located at the Park. All actions will be taken in accordance with the Commission's routine operating policy and will follow its rules of standard procedure.

4. That the City of Paintsville, acting through the Paintsville Utilities Commission, does agree to and will take all necessary action to fund, construct, own, and operate a wastewater system, including a treatment facility to be located along KY Route 321 near Auxier Kentucky, and an appropriately sized collection system, with all necessary appurtenances, to serve those areas along KY Route 3 and adjacent roadways through Floyd, Johnson and Martin Counties in order to and primarily for the purpose of providing reliable, quality wastewater service to the Park. All actions will be taken in accordance with the Commission's routine operating policy and will conform to its rules of standard procedure.

5. That Martin County Water District and Prestonsburg City's Utilities Commission mutually agree and commit that each will share the provision of the monthly water consumption demand of the Bureau's facility equally, understanding that circumstances may require that either Party may be called upon by the other Party, from time to time, to supply a greater volume of this consumption demand than 50% and either Party may do so without prejudice or jeopardy to this Agreement.

6. The Martin County Fiscal Court, the Johnson County Fiscal Court, the Floyd County Fiscal Court, and the Pike County Fiscal Court concur that the collaborative approach to providing necessary utility service does best accomplish their agreed intent to develop the utility infrastructure necessary for the Honey Branch Industrial Park, and do invite, request, and encourage the utilities named herein to take those actions, as set out above.

BOOK: 6 PAGE 15

7. Further, each Party to this Agreement invites, grants the appropriate authority consents, and encourages the other Parties hereto to take those actions as described herein, which relate to each Party, respectively. Further, the Parties agree to facilitate, to the extent feasible, the overall development of the array of utilities by taking any and all appropriate actions within their respective jurisdiction on behalf of any other Party, as warranted, pursuant to this Agreement, in an expedited time frame, including but not limited to participation in utility planning and development activities, the granting or securing of encroachment permits, easements, or other similar authorizations as may be required, following all routine, existing, and standard procedures as may govern such actions, and other appropriate activities

8. This Agreement shall continue and remain in effect until and at which time all those activities and actions, as set out herein, relating to the various Parties, or as may otherwise be contemplated by this Agreement shall have been completed. The date of full completion of such activities and actions is anticipated to be not later than January 1, 2003.

9. Each Party engaged in utility services as set out in this Agreement shall provide its own capital construction and operations financing from the revenues generated by the services provided hereunder or from other sources available to such Party.

10. The Parties to this Agreement hereby designate the Big Sandy Area Development District to be the "administrator" of this Agreement, and charge same to provide for appropriate and timely planning and coordination of the various activities necessary for the implementation of the Agreement, provided however that each Party engaged in utility services as set out in this Agreement shall be responsible for the complete administration of the utility service to be provided by such Party.

11. Utility services provided by the designated Parties as described herein shall be provided pursuant to separate contractual agreements with the Bureau and/or its agent, satisfactory in form and substance to each respective Party, and such services are subject to receipt of all necessary or required approvals satisfactory in form and substance to each respective Party.

12. 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.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed and acknowledged by officers or officials as duly authorized by the respective legislative bodies of the Parties hereto, effective as of the date first written above.

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

Albert B. Chandler, III, Attorney General  
Commonwealth of Kentucky

BY: *Michelle Kaul*  
Assistant Attorney General

*Benjamin R. Hale*  
Floyd County Judge/Executive

Attest: *TE [Signature]*

*David [Signature]*  
Johnson County Judge/Executive

Attest: *[Signature]*

*[Signature]*  
Martin County Judge/Executive

Attest: *[Signature]*

*[Signature]*  
Pike County Judge/Executive

Attest: *[Signature]*

BOOK 10 PAGE 17

[Signature]  
Mayor, City of Palmisville

Attest: [Signature]

[Signature]  
Mayor, City of Prestonsburg

Attest: [Signature]

[Signature]  
Chairperson, Martin County Water District

Attest: [Signature]

[Signature]  
Chairperson, Honey Branch Economic Development Authority

Attest: [Signature]

\*\*\*\*\*

STATE OF KENTUCKY

S.S.

COUNTY OF FLOYD

I, CARLA "ROBINSON" BOYD, Clerk of the County and State aforesaid certify that the foregoing Misc. Recording was on the 26th day of JANUARY, 1998 at 9:16 o'clock A.m. lodged for record whereupon the same with the foregoing and this certificate have been duly recorded in my office.

Witness my hand, this 27th day of JANUARY, 1998.

CARLA "ROBINSON" BOYD

BY: [Signature]

LODGED FOR RECORD

DATE 1-26-98

TIME 9:16 AM

FEE 15.00

Carla "Robinson" Boyd

Floyd County

*[Signature]* D.C.

Attn: Big Sandy ADD

100 *[illegible]* Dr.

P. Big Sandy, Ky.

Attn: Terry Trimble

Misc.

BOOK... 6 ...

PAGE... 12 ...

Carla "Robinson" Boyd

Floyd County Clerk

## JOINT OPERATION AGREEMENT

THIS JOINT OPERATION AGREEMENT (the "Agreement") is entered into and made effective as of the day of July 3, 2000, by and between the Martin County Water District (hereinafter "District") and Prestonsburg City's Utilities Commission (hereinafter "PCUC") and relates to and further delineates the participation of the District and PCUC (hereinafter referred to collectively as "Parties" or individually as each "Party") in the previously executed Understanding entitled "Interlocal Cooperation Understanding For The Development of Utility Infrastructure" (hereinafter referred to as "Interlocal Cooperation Understanding"), attached hereto as Attachment A.

WHEREAS, the District and PCUC are each currently working to develop the necessary water transmission lines, pumping stations, tanks, and related appurtenances to jointly provide water service to the Big Sandy Federal Prison ("Federal Prison") being constructed by the Federal Bureau of Prisons ("Bureau") at the Honey Branch Park ("Industrial Park") in Martin County; and,

WHEREAS, the District and PCUC have mutually agreed and have committed in the Interlocal Cooperation Understanding cited above, that ". . . each will share the provision of the monthly water consumption demand of the Bureau's facility equally, understanding that circumstances may require that either Party may be called upon by the other Party, from time to time, to supply a greater volume of this consumption demand than 50% and either Party may do so without prejudice or jeopardy to this Agreement . . ."; and,

WHEREAS, each party to this AGREEMENT deems it in their respective interests to further delineate and thereby clarify the physical layout of the water infrastructure components as well as to delineate and clarify the actual working relationship between the parties once the facilities subject to this Agreement are in operation;

NOW THEREFORE, contingent upon receipt of all required approvals for the location, construction and development of the Federal Prison in the Industrial Park, and contingent upon each party to this Agreement having received approval of all related infrastructure funding from federal agencies, as well as state and local agencies, and contingent upon execution of a binding water purchase agreement between PCUC and the Bureau, it is mutually agreed between the District and PCUC as follows:

### WATER INFRASTRUCTURE

#### Site Map

1. All activities set out below are illustrated on the Site Map, attached hereto as Attachment B and considered part of this Agreement. Upon execution of this Agreement, any and all disagreements or misunderstandings regarding this Agreement shall be resolved as to their consistency and compliance with the content of the Site Map.

#### District Facilities

2. The District shall be responsible for the construction of, and shall subsequently own, operate, and maintain an 8-inch water service main to be constructed in a southerly direction along KY Route 3 to the intersection with Airport Road, at which point the line size will be increased, becoming a 10-inch main extending in an easterly direction along Airport



Road to the entrance to the prison. At the prison entrance, the District will increase the main size to 16-inch, install a 16-inch Tee and Valve for service to the prison, and continue the 16-inch main in an southerly direction to and connecting with a ground level water storage tank as noted in paragraph 3 below. The 10-inch and 16-inch water lines from the PCUC pump station to the Honey Branch Storage Tank (as noted in Paragraph 3) shall be hereafter referred to as the Honey Branch Storage Tank Line.

3. The District shall construct a water storage tank of approximately 1,040,000 gallons capacity (hereinafter referred to as the "Honey Branch Storage Tank") as shown on the attached site map, and shall reserve storage space necessary for 300,000 gallons per day for domestic water service and 240,000 gallons per day for line protection. The District shall allow PCUC to have physical access to the Honey Branch Storage Tank for the purpose of installing and maintaining electronic telemetry controls to be used for monitoring the level of the water in the tank.

4. The District will have and maintain metering equipment located near the intersection of Airport Road and KY Route 3. The metering equipment will be located inside a booster pump station constructed by PCUC which will be described more thoroughly in paragraphs below.

#### PCUC Facilities

5. PCUC shall be responsible for the construction of, and shall subsequently own, operate, and maintain 10-inch and 12-inch service mains, including two (2) booster pump stations and one (1) water storage tank; such main shall be constructed in a northerly direction

along KY Route 3 to the intersection of Airport Road where the second PCUC pump station is located. The PCUC main will connect to the District's 10-inch main at this point.

6. PCUC will construct a booster pump station near the intersection of KY Route 3 and Airport Road to pump water into the District's Honey Branch Storage Tank Line. This station will house PCUC's pumping equipment, as well as both PCUC's and the District's metering equipment. Both parties shall have unrestricted access to this station for the purpose of operation and maintenance of their respective facilities. The metering equipment for both parties shall consist of appropriately sized meters, piping, and valves as well as appropriate pressure gauges and ports for sampling. Both parties shall be allowed to install electronic telemetry equipment on the metering equipment of both parties.

7. PCUC will install a 16-inch main from the point of connection with the District's system as described in Paragraph 2, to a meter vault on the Federal Prison's property which is the point of connection for the Federal Prison's water system. This vault shall contain an appropriately sized meter, valving, and piping to meet the Federal Prison's needs. Pressure gauges and ports for sampling, as well as telemetry equipment, shall also be included. Both Parties, as well as appropriate Federal Prison officials, shall have unrestricted access to this meter vault and the District shall be allowed to install telemetry equipment for their use to this meter. Both parties shall complete all construction set forth herein no later than February 1, 2001.

### JOINT OPERATION

8. PCUC will provide water service to the Federal Prison, as described herein, pursuant to a separate contractual agreement between the Bureau and PCUC, satisfactory in form and substance to PCUC and solely at its discretion.

9. Water services as may be provided by the District from its own water production to other tenants of the Industrial Park and all others in the service area of the District shall be provided pursuant to separate contractual agreements satisfactory in form and substance to the District and solely at its discretion.

10. While both Parties will endeavor to provide at least 50 percent of the Federal Prison's water requirements on a daily and monthly basis, the Parties understand that the actual percentage of water supplied to the Federal Prison by either the District or PCUC may vary on a daily or monthly basis.

11. Under normal operation, PCUC will pump each day into the District's Honey Branch Storage Tank Line an amount of water equal to 50 percent of the water usage of the Federal Prison for the previous day, and the District shall operate the Honey Branch Storage Tank in such a manner as to receive this water therein. The District shall pump a sufficient quantity of water into the District's Honey Branch Storage Tank to maintain an adequate level of water necessary to provide reliable service to the Federal Prison.

12. Adequate water will be maintained in the Honey Branch Storage Tank at all times to supply both the domestic water requirements and maximum fire protection for the Federal Prison. If the level of water in the Honey Branch Storage Tank is not sufficient to provide

reliable water service to the Federal Prison, then PCUC will pump into the Honey Branch Storage Tank Line a quantity of water that exceeds 50 percent of the water usage of the Federal Prison for the previous day, thus supplying more than 50 percent of water requirements of the Federal Prison. It may possible that PCUC will need to pump more than 100 percent of the water usage of the Federal Prison for the previous day, thus providing emergency backup water service to the District. Any emergency backup service supplied hereunder shall be fully interruptible at any time at PCUC's sole discretion. PCUC shall have no obligation to supply emergency backup service to the District. In no event shall the provision of emergency backup water service to the District impair PCUC's ability to serve the full requirements of the Federal Prison. In the event that the supply of emergency backup water service to the District impairs PCUC's ability to serve the full requirements of the Federal Prison or other PCUC customers, then the District shall be required to curtail end uses of the water from the Honey Branch Storage Tank and Honey Branch Storage Tank Line other than the Federal Prison's use.

13. PCUC will bill the Bureau each month at its contracted rate based on the amount of water delivered to the Federal Prison determined from monthly meter readings for service to the Federal Prison at the Prison Master Meter. PCUC will receive full remittance from the Bureau for all such water supplied. Payment to the District from remittance received from the Bureau will be calculated by applying the following rate to the amount of water provided each month by the District to serve the Federal Prison:

First 112,000 gallons per month	\$348.50 per month
All over 112,000 gallons per month	\$3.05 per 1,000 gallons

The amount of water provided each month by the District to serve the Federal Prison shall be determined by subtracting (a) the amount of water that Prestonsburg pumps into the Honey Branch Storage Tank Line for the month (based on meter readings at PCUC Meter) from (b) the amount of water delivered to the Federal Prison for the month (based on meter readings at the Prison Master Meter). To modify the rates set forth in this numbered paragraph, the District must provide PCUC a notice of any proposed rate change at least 120 days prior to filing for a rate change with the Public Service Commission; however, in no event shall any component of the District's rate be increased until a simultaneous and corresponding increase in the contract rate between PCUC and the Federal Prison actually occurs so that any such increase by the District is fully passed-through to the Federal Prison. Any change in rate by the District must be supported by a cost of service study consistent with standard industry ratemaking practices for water utilities. Payment by PCUC to the District for water supplied to the Federal Prison shall be made within ten (10) working days from receipt of remittance received from the Bureau.

14. In the event that Prestonsburg pumps an amount of water into the Honey Branch Storage Tank for the month (based on meter readings at the PCUC Meter) that exceeds the amount of water delivered to the Federal Prison for the month (based on meter readings at the Prison Master Meter), resulting in PCUC providing emergency backup water service of a non-recurring nature to the District, PCUC shall bill the District at the following rate for emergency back-up water service:

First 112,000 gallons per month	\$348.50 per month
All over 112,000 gallons per month	\$3.05 per 1,000 gallons

Payment by the District to PCUC for water supplied to the District for emergency backup water service shall be made within ten (10) working days from the date of PCUC's invoice to the District. To modify the rates set forth in this numbered paragraph, the PCUC must provide the District a notice of any proposed rate change 120 days in advance of the effective date of the proposed change in rates, except that PCUC may, without notice, increase or decrease the rate by the same percentage as any increase or decrease in the District's rate to PCUC as set forth in number paragraph 13, above. Any such change in rate that does not correspond to the percentage change in the District's rate for service to PCUC must be supported by a cost of service study consistent with standard industry ratemaking practices for water utilities.

15. PCUC and the District shall each be responsible for the loss of any water that occurs on their respective facilities.

16. Each party to this Agreement shall have unrestricted access to all meters and any electronic telemetry equipment of the other for purposes of verification and system operations. Assigned staff of both PCUC and the District shall read the meters cited in this Agreement together each month, at a mutually agreed upon time, day and date.

17. Each Party to this Agreement shall bear the expense of having its meter(s) tested annually by an independent, certified meter testing service, and a copy of the report of such test shall be forwarded to the other party. Either Party may request the other to conduct additional testing but so as not to exceed more than one such additional test in each calendar year.

18. This Agreement shall remain in full force and effect from the date written above until and at which time PCUC shall no longer provide water service to the Federal Prison.

19. Force Majeure. All obligations of either party with respect to service hereunder shall be excused without liability during the pendency of any condition of force majeure, which causes the party claiming force majeure to be unable to meet its performance obligations hereunder. Force majeure shall include any act, event or condition beyond the reasonable control of the party claiming force majeure, and shall include, but not be limited to, any act of God, fire, storm, earthquake, freezing condition, wind, flood, drought, snow, water used to fight fires, line breaks, environmental release, breakage of or delay in receiving parts, equipment or supplies, or shortage thereof, strike or lockout, or any act, event or requirement of any governmental law, regulation or entity. Force majeure shall not include routine line leakage or financial inability to pay.

20. Nothing in this Agreement shall subject PCUC to regulation by the Kentucky Public Service Commission ("KYPSC"). To the extent the KYPSC exercises jurisdiction over any aspect of this Agreement, PCUC shall remain free to withdraw without penalty or other obligation from this Agreement upon providing 30 days written notice to the District.

21. Indemnification by District. District shall indemnify, defend and hold harmless PCUC and its officers, directors, employees, and agents from, against and with respect to any claim, liability, obligation, loss, damage, assessment, judgment, cost, expense (including without limitation, reasonable attorneys' fees and costs) arising out of or in any manner incident, relating or attributable to any loss, claim, action, proceeding or determination arising out of District's obligations or performance under this Agreement.

22. Indemnification by PCUC. PCUC shall indemnify, defend and hold harmless District and its officers, directors, employees and agents from, against and with respect to any

claim, liability, obligation, loss, damage, assessment, judgment, cost, expense (including without limitation, reasonable attorneys' fees and costs) attributable to any loss, claim, action, proceeding or determination arising out of PCUC's obligations or performance under this Agreement.

23. Indemnification Claims.

(a) PCUC or District, if claiming indemnity hereunder (the "Indemnified Party"), agrees to give prompt notice to the party or parties from which indemnity may be sought (the "Indemnifying Party") of the assertion of any claim or the commencement of any suit, action or proceeding in respect of which indemnity may be sought hereunder.

(b) At the request of the Indemnified Party, the Indemnifying Party shall assume the defense of any such suit, action or proceeding, including its compromise or settlement, in which the outcome would give rise to a claim for indemnification, and shall be fully responsible for the outcome hereof. The Indemnifying Party may not compromise or settle any such suit, action or proceeding without the Indemnified Party's consent which shall not be unreasonably withheld.

MISCELLANEOUS

24. Governing Law. This Agreement shall be governed by and construed and interpreted in accordance with the laws of the Commonwealth of Kentucky.

25. Entire Agreement/Amendments.

(a) This Agreement constitutes the entire Agreement among the parties pertaining to the subject matter hereof and supersedes all prior and contemporaneous agreements,



understandings, negotiations and discussions, whether oral or written, of the parties pertaining to the subject matter hereof.

(b) No amendment, supplement, modification, waiver or termination of this Agreement shall be implied or be binding unless executed in writing by a party to be bound thereby. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision hereof (whether or not similar), nor shall such waiver constitute a continuing waiver unless otherwise expressly therein provided.

26. Assignment. All of the terms and provisions of this Agreement shall be binding upon and inure to the benefit of the parties, their successors, heirs and assigns, subject to regulatory approval where required. The rights and obligations provided by this Agreement may not be assigned or transferred by a party without the written consent of the other party, which consent may not unreasonably be withheld.

27. Headings. Headings used in this Agreement are for convenience only and are in no way to be construed as part of this Agreement or as a limitation of the scope of the particular articles or sections to which they refer.

28. Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement.

29. Notices. All notices, requests, demands and other communications required or permitted under this Agreement shall be in writing and shall be considered to have been duly given when delivered by hand, or sent by first class certified or registered mail, postage prepaid, return receipt requested, in each case to the appropriate addresses (or to such other addresses as a

party may from time to time designate as to itself by notice similarly given to the other party in accordance with this Section):

(a) If to PCUC to: Seldon D. Horne, Superintendent  
Prestonsburg City's Utilities Commission  
2560 South Lake Drive  
Prestonsburg, Kentucky 41653

with a copy to: C. Kent Hatfield  
Middleton & Reutlinger  
2500 Brown & Williamson Tower  
Louisville, Kentucky 40202

(b) If to District to: John R. Triplett  
Chairman  
Martin County Water District  
HC 69, Box 875  
Inez, Kentucky 41224

30. Specific Performance. The parties hereto agree that money damages and any other remedy available at law may be inadequate to redress or remedy any loss or damage suffered by a party hereto upon any breach of this Agreement, and the parties therefore agree that, in addition to recovery on any claim for money damages or obtaining any other remedy available at law, a party hereto also may enforce the terms of this Agreement by injunction and/or specific performance and/or may obtain any other appropriate remedy.

This Agreement is made as of the year and day first above written, and shall be effective as of that date without regard to the fact that execution hereof by the parties shall have been effected at the same time or at other times.

MARTIN COUNTY WATER DISTRICT

(SEAL)

BY: John R. Triplett  
John R. Triplett, Chairman

ATTEST:

Nala J. Smith  
SECRETARY

PRESTONSBURG CITY'S UTILITIES COMMISSION

BY: Seldon D. Horne  
Seldon D. Horne, Superintendent

ATTEST:

C. J. McNally  
C. J. McNally, Chairman  
of the Prestonsburg City's  
Utilities Commission

BOOK 6 PAGE 12

INTERLOCAL COOPERATION AGREEMENT  
FOR THE DEVELOPMENT OF  
UTILITY INFRASTRUCTURE

THIS INTERLOCAL COOPERATION AGREEMENT (the "Agreement") is made and entered into and deemed effective as of the 15th day of January, 1998, by and between the Martin County Fiscal Court, the Johnson County Fiscal Court, the Floyd County Fiscal Court, the Pike County Fiscal Court, the Martin County Water District, the City of Prestonsburg, the City of Paintsville, and the Honey Branch Economic Development Authority, (each a "Party", or collectively the "Parties") each of which is a political subdivision of the Commonwealth of Kentucky (the "Commonwealth").

WHEREAS, under the Interlocal Cooperation Act (the "Act"), Sections 65.210 to 65.300, inclusive, of the Kentucky Revised Statutes, as amended ("KRS"), any power or powers, privileges or authority exercised or capable of exercise by a public agency (including a city, a county 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 Parties are in agreement that it is in their mutual interest to pursue cooperatively economic development opportunities within their jurisdictions; and to this end are currently working to develop the necessary utility infrastructure for a new facility of the Federal Bureau of Prisons ("Bureau") to be constructed at the proposed Honey Branch Industrial Park ("Park") in Martin County;

WHEREAS, Martin County Water District presently operates a water plant of sufficient capacity to serve the Bureau at the Park without the necessity of further water plant expansion, and operates an extensive distribution system with lines located north of and contiguous to the Park and is capable of extending its water service mains in a reliable and expeditious manner in order to meet the needs of the Bureau and the Park; and,

WHEREAS, the City of Prestonsburg, acting in and through the Prestonsburg City's Utilities Commission, presently operates a water plant of sufficient capacity to serve the Park without the necessity of further water plant expansion, and operates an extensive distribution system with lines located south of and contiguous to the Park and is capable of extending its

water service mains in a reliable and expeditious manner in order to meet the needs of the Bureau at the Park; and,

WHEREAS, the City of Paintsville, acting in and through the Paintsville Utilities Commission, presently operates a wastewater collection system and treatment plant and is capable of developing a new treatment plant and collection system and thereby provide wastewater service in a reliable and expeditious manner to the Bureau and the Park; and,

WHEREAS, the Big Sandy Area Development District, a regional planning and development organization, established pursuant to KRS 147A to serve the area, assisted under contract by a professional engineering firm licensed in the Commonwealth of Kentucky, has reviewed several alternative ways to provide water and wastewater service to the Bureau's proposed facility to be located in the Honey Branch Industrial Park, and has determined that water service is best provided to this site by both the Martin County Water District and the Prestonsburg City's Utilities Commission, and that wastewater service is best provided to this site by the Paintsville Utilities Commission; and,

WHEREAS, the Floyd County Fiscal Court, the Johnson County Fiscal Court, the Martin County Fiscal Court, and the Pike County Fiscal Court, have created, by separate agreement, the Honey Branch Industrial Development Authority pursuant to KRS 154; and furthermore do concur with the determination of the Big Sandy Area Development District, and finds it is in the public interest that the Martin County Water District and the Prestonsburg City's Utilities Commission extend their respective water lines to serve the site of the Bureau's proposed facility and that Paintsville Utilities Commission develop a wastewater treatment plant and collection system to serve this facility;

NOW THEREFORE, contingent upon receipt of all required approvals for the location, construction and development of the Bureau's facility in the Park, be it mutually acknowledged and agreed by and among the Parties hereto and so ordered as follows:

1. The Parties hereto agree that the foregoing statements are not mere recitals, but represent legislative findings by the legislative bodies, as appropriate, and as such represent statements of public interest affecting all Parties hereto, including their respective constituencies.

2. That the Martin County Water District, organized pursuant to KRS Chapter 74, does agree to and will take all necessary action to fund, construct, own, and operate an

appropriately sized water service main along KY Route 3 and connecting roadways in Martin County to the Park as an extension of its existing system; in addition, the District will construct a water storage tank and necessary appurtenances in the vicinity of the Park. All action will be taken in accordance with the District's routine operating policy and in accord with its rule of standard procedure in response to the demand for providing quality water service to a presently unserved area of the County and to assure a reliable, quality water service to the Park.

3. That the City of Prestonsburg, acting through the Prestonsburg City's Utilities Commission, does agree to and will take all necessary action to fund, construct, own, and operate an appropriately sized extension of its existing water distribution system, together with necessary appurtenances, along KY Routes 321 and 3 and adjacent roadways through portions of Floyd, Johnson, and Martin Counties, in order to and for the purpose of providing reliable, quality water service to the Federal Prison and related facilities to be located at the Park. All actions will be taken in accordance with the Commission's routine operating policy and will follow its rules of standard procedure.

4. That the City of Paintsville, acting through the Paintsville Utilities Commission, does agree to and will take all necessary action to fund, construct, own, and operate a wastewater system, including a treatment facility to be located along KY Route 321 near Auxier Kentucky, and an appropriately sized collection system, with all necessary appurtenances, to serve those areas along KY Route 3 and adjacent roadways through Floyd, Johnson and Martin Counties in order to and primarily for the purpose of providing reliable, quality wastewater service to the Park. All actions will be taken in accordance with the Commission's routine operating policy and will conform to its rules of standard procedure.

5. That Martin County Water District and Prestonsburg City's Utilities Commission mutually agree and commit that each will share the provision of the monthly water consumption demand of the Bureau's facility equally, understanding that circumstances may require that either Party may be called upon by the other Party, from time to time, to supply a greater volume of this consumption demand than 50% and either Party may do so without prejudice or jeopardy to this Agreement.

6. The Martin County Fiscal Court, the Johnson County Fiscal Court, the Floyd County Fiscal Court, and the Pike County Fiscal Court concur that the collaborative approach to providing necessary utility service does best accomplish their agreed intent to develop the utility infrastructure necessary for the Honey Branch Industrial Park, and do invite, request, and encourage the utilities named herein to take those actions, as set out above.

7. Further, each Party to this Agreement invites, grants the appropriate authority consents, and encourages the other Parties hereto to take those actions as described herein, which relate to each Party, respectively. Further, the Parties agree to facilitate, to the extent feasible, the overall development of the array of utilities by taking any and all appropriate actions within their respective jurisdiction on behalf of any other Party, as warranted, pursuant to this Agreement, in an expedited time frame, including but not limited to participation in utility planning and development activities, the granting or securing of encroachment permits, easements, or other similar authorizations as may be required, following all routine, existing, and standard procedures as may govern such actions, and other appropriate activities

8. This Agreement shall continue and remain in effect until and at which time all those activities and actions, as set out herein, relating to the various Parties, or as may otherwise be contemplated by this Agreement shall have been completed. The date of full completion of such activities and actions is anticipated to be not later than January 1, 2003.

9. Each Party engaged in utility services as set out in this Agreement shall provide its own capital construction and operations financing from the revenues generated by the services provided hereunder or from other sources available to such Party.

10. The Parties to this Agreement hereby designate the Big Sandy Area Development District to be the "administrator" of this Agreement, and charge same to provide for appropriate and timely planning and coordination of the various activities necessary for the implementation of the Agreement, provided however that each Party engaged in utility services as set out in this Agreement shall be responsible for the complete administration of the utility service to be provided by such Party.

11. Utility services provided by the designated Parties as described herein shall be provided pursuant to separate contractual agreements with the Bureau and/or its agent, satisfactory in form and substance to each respective Party, and such services are subject to receipt of all necessary or required approvals satisfactory in form and substance to each respective Party.

12. 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.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed and acknowledged by officers or officials as duly authorized by the respective legislative bodies of the Parties hereto, effective as of the date first written above.

APPROVED AS TO FORM AND COMPLIANCE WITH APPROPRIATE KENTUCKY STATUTES

Albert B. Chandler, III, Attorney General  
Commonwealth of Kentucky

BY: Albert B. Chandler, III

Assistant Attorney General

Benjamin L. Hale  
Floyd County Judge/Executive

Attest: TE Gabel

David Hoban, Jr. D.S.  
Johnson County Judge/Executive

Attest: RJ Funcher

Lesly Callahan  
Martin County Judge/Executive

Attest: W. Craig Jure

Dana Dawson  
Pike County Judge/Executive

Attest: Jim Spears



BOOK 10 PAGE 19

*[Signature]*

Mayor, City of Paducahville

Attest: *[Signature]*

*[Signature]*

Mayor, City of Prestonsburg

Attest: *[Signature]*

*[Signature]*

Chairperson, Martin County Water District

Attest: *[Signature]*

*[Signature]*  
Chairperson, Honey Branch Economic Development Authority

Attest: *[Signature]*

\*\*\*\*\*

STATE OF KENTUCKY

S.S.

COUNTY OF FLOYD

I, CARLA "ROBINSON" BOYD, Clerk of the County and State aforesaid certify that the foregoing Misc. Recording was on the 26th day of JANUARY, 1998 at 9:16 o'clock A.m. lodged for record whereupon the same with the foregoing and this certificate have been duly recorded in my office.

Witness my hand, this 27th day of JANUARY, 1998.

CARLA "ROBINSON" BOYD  
BY: *[Signature]*

Misc.

BOOK	6
PAGE	12
Carla "Robinson" Boyd	
Floyd County Clerk	

LODGED FOR RECORD

DATE 1-26-98

TIME 9:16 AM

FEE 15.00

Carla "Robinson" Boyd

City of Floyd County

Attn: Carla Boyd D.C.

File: Big Sandy ADD  
100 James St.

P. Benj. K. Trimble  
Attn: Terry Trimble

**Attachment B**

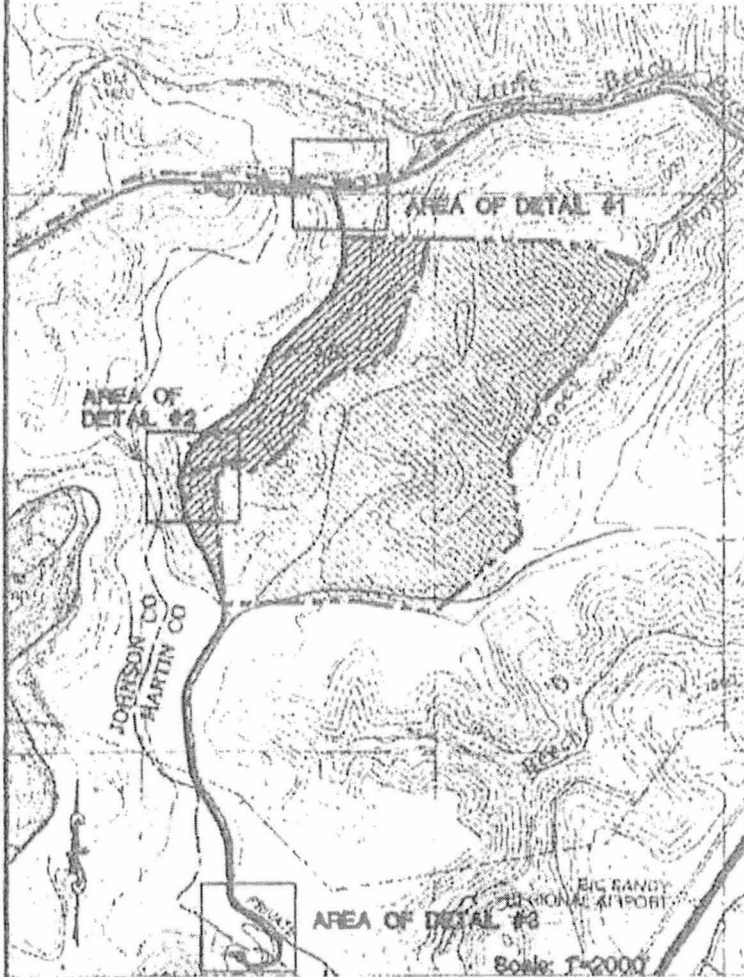
**Site Map**

Honey Branch Industrial Project  
Federal Bureau of Prisons

**Combined Water Project Detail**

PRESTONSBURG CITY UTILITIES COMMISSION  
Prestonsburg, Kentucky

MARTIN COUNTY WATER DISTRICT  
Inez, Kentucky



- LEGEND**
- Water Line
  - Honey Branch Industrial Park
  - USP Property Boundary
  - USP Property Boundary
  - DOT Easement

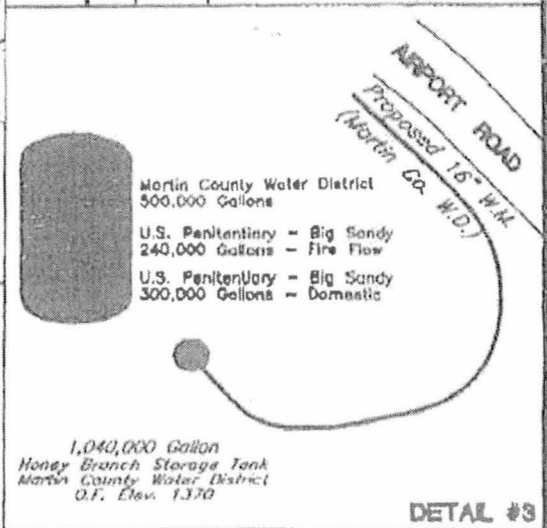
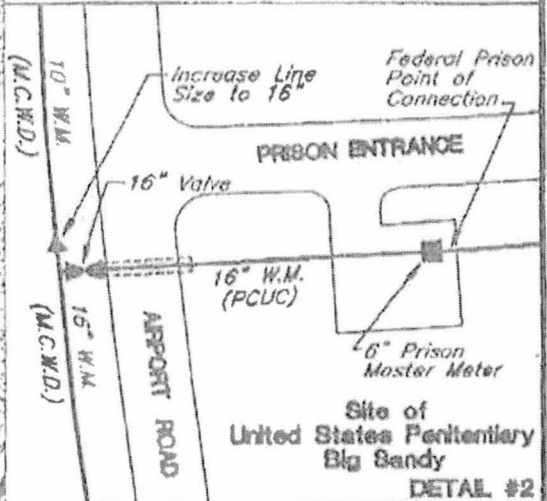
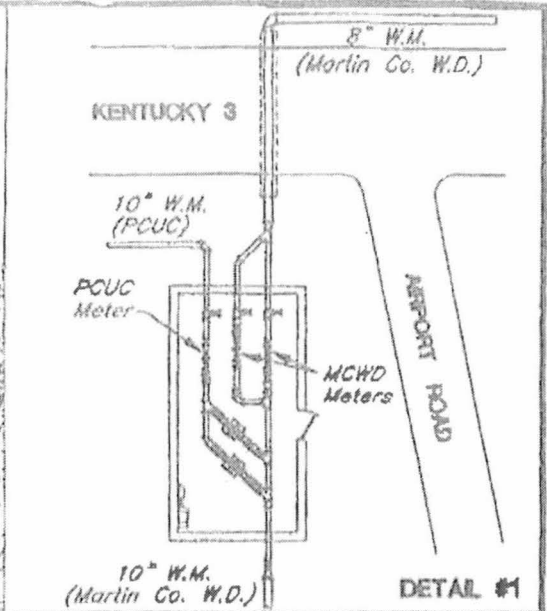
**NOTE:**

PCUC Pump Station at the intersection of KY. 3 with Airport Road includes PCUC 6" Meter, MCWD 6" Meters, Test Ports, Water Sample Cocks, Pressure Gauges and Valving for Point of Connection with MCWD.

Prison Master Meter includes necessary Valving, 6" Master Meter, Water Sampling Cocks, and Pressure Gauges.

Prepared by:  
Big Sandy Area Development District  
100 Resource Drive  
Prestonsburg, Kentucky 41663  
606-886-2374

Modified by:  
Kenivrons, Inc.  
482 Versailles Road  
Frankfort, Kentucky 40601  
602-895-4357



**DETAIL #3**

June 20, 2000

K:\1\1970501\PRISON\8-11