

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED  
JUL 24 2017  
PUBLIC SERVICE  
COMMISSION

In the Matter of:

APPLICATION OF RIDGELEA INVESTMENTS, INC. )  
FOR APPROVAL OF TRANSFER OF FRANKLIN ) Case No. 2017-00153  
COUNTY WASTEWATER TREATMENT FACILITIES TO )  
FARMDALE SANITATION DISTRICT )

**SECOND SUPPLEMENTAL RESPONSE TO REQUEST FOR INFORMATION IN  
APPENDIX OF COMMISSION ORDER DATED JUNE 1, 2017**

Comes Ridgelea Investments, Inc., ("Ridgelea"), by Counsel, and states as follows:

This Second Supplement Response amends and provides additional information to the request in the Appendix of the Commission's Order entered June 1, 2017.

1. Provide a copy of the Agreement to Purchase between Ridgelea and Farmdale.

ANSWER: See Attached.

2. Describe the authority of the individual who executed the transfer agreement on behalf of Ridgelea to enter into the agreement on behalf of Ridgelea, and provide records that document the executing individual's authority.

ANSWER: Charles Hungler, Jr., is a Director and is the President of the corporation. See attached copy of minutes of February 1, 2017, meeting of Ridgelea Investments, Inc.

3. Describe the authority of the individual who executed the transfer agreement on behalf of Farmdale to enter into the agreement on behalf of Farmdale, and provide records that document the executing individual's authority.

ANSWER: Allan Alsip is the Chairman of the Board of Farmdale; See copy of minutes of January 26, 2017, meeting of Farmdale Sanitation District when Allan Alsip, the Chairman was authorized to enter into the purchase agreement referred to in Answer No. 1 above.

4. State whether Farmdale's Board of Directors approved Farmdale's acquisition of ownership and control of Ridgelea's Franklin County wastewater facilities. If so, provide a copy of the board resolution approving the acquisition or minutes of the meeting at which the Board voted to approve the acquisition.

ANSWER: See Answer No. 3 above and see copy of the minutes attached to Answer No. 3.

5. For Farmdale, provide the following:

a. Describe Farmdale's technical ability and resources to manage and operate the Ridgelea facilities, including, but not limited to, its employment of or contractual arrangement for a qualified and certified operator for the system.

ANSWER: Farmdale Sanitation has entered into the attached Operation and Maintenance Agreement for Farmdale Sanitation District with Professional Wastewater Services, LLC., dated May 1, 2017, whereby Farmdale Sanitation has engaged Professional Wastewater Services to operate and maintain the wastewater treatment plants and collection systems owned by Farmdale Sanitation, including but not limited to the WWTPs owned by Farmdale Sanitation District and collection system. Furthermore, Farmdale Sanitation has entered into the attached Agreement for Engineering Services, Continuing Services Agreement for Farmdale Sanitation District, Franklin County, Kentucky, with Hayworth-Meyer-Boleyn Professional Engineers, Inc. ("HMB") dated June 23, 2016, whereby HMB will provide engineering services to the WWTPs owned by Farmdale Sanitation District, including but not limited to preliminary engineering, engineering design, advertising and bidding, construction administration, construction observation, miscellaneous meetings, plan review and any other "on-call" engineering services as requested by Farmdale Sanitation. Engineering services provided pursuant to this agreement may include, but would not be limited to, attendance at meetings, funding assistance, general engineering consultation, plan review, minor collection system or package wastewater treatment plant study, preparation of contract documents, value engineering, easement work, construction administration, construction observation, geotechnical investigation, archeological/botanical surveys and land surveys, etc. Farmdale Sanitation has also entered into the attached contract

with Pace Analytical whereby Pace will perform laboratory services for Farmdale Sanitation and the attached contract for billing services with the Farmdale Water District whereby the Water District will perform billing services for Farmdale Sanitation.

b. Describe Farmdale's financial ability and resources to manage and operate the Ridgelea facilities proposed to be transferred, including, but not limited to, available funds, lines of credit, loans, grants, or other financial support.

ANSWER: Farmdale owns eight (8) acres of land on US 127 South which was purchased with a US EPA grant for the location of a new sewage treatment facility; Farmdale holds approximately eight hundred, seventy three thousand dollars (\$873,000.00) in funds from the US EPA which may be used for both construction and design of a new facility; its operating bank account contained eighty three thousand, three hundred and ninety-nine dollars and fourteen cents (\$83,399.14) on January 31, 2017 (See Farmers Bank statement attached). Furthermore, Farmdale Sanitation is to receive a grant in the amount of \$300,000 from KIA for use in repairing WWTPs.

c. Describe Farmdale's managerial ability and resources to manage and operate the Ridgelea facilities proposed to be transferred.

ANSWER: Farmdale is managed by a three member Board of Directors. Billing and collections are performed by the Farmdale Sanitation District pursuant to a contract for such services. See also Answer to 5a.

d. If Farmdale has entered into a contract with any third party regarding the performance of technical, financial, or managerial services by the third party on behalf of Farmdale, provide a copy of each contract.

ANSWER: See No. 5a with attachments.

6. If Ridgelea holds any deposits of customers served by the facilities proposed to be transferred to Farmdale, state whether Ridgelea will refund the deposits that it holds, transfer the deposited funds to Farmdale, or apply or transfer the funds to another use. If applied for another

use, identify the other use.

ANSWER: Ridgelea hold no deposits.

7. State the rate that Farmdale intends to charge current customers of the facilities proposed to be transferred to it by Ridgelea.

ANSWER: Farmdale will charge the same rates as those currently charged by Ridgelea. Farmdale has no customers except those served by its recently acquired Evergreen Sewage Disposal, Inc. WWTP.

8. State whether Farmdale intends to continue to operate any of the wastewater treatment plants proposed to be transferred to it by Ridgelea. If not, state the manner in which Farmdale intends to treat the effluent currently treated by the wastewater treatment plants.

ANSWER: Ridgelea intends to continue operating the WWTPs until its assets are transferred to Farmdale and Farmdale notifies Ridgelea that it has a certified operator ready to continue operation.

9. Provide the Total Utility Plant and the associated Accumulated Depreciation values that are to be transferred from Ridgelea's wastewater system.

ANSWER: See Attached 1120S. The name "Mulberry" and the initial "M" on form 1120S refers to categories which apply only to the three Franklin County WWTPs owned by Ridgelea. The name Mulberry was used by the owner of the WWTPs prior to Ridgelea.

10. The Annual Report of Ridgelea Investments, Inc. to the Public Service Commission for the Year ended December 31, 2015 at page 25 indicates that Ridgelea has 349 customers. State how many of these customers will be served by Farmdale upon completion of the transfer.

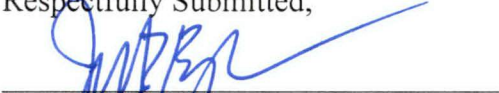
ANSWER: 191 which are all the customers in Franklin County.

11. If the Commission grants Ridgelea's application for approval of the transfer of its

Franklin County wastewater treatment facilities to Farmdale, state whether Ridgelea or Farmdale intends to give notice of the transfer to the customers served by the facilities and to provide customers with Farmdale's contact information for service and billing issues.

ANSWER: Farmdale.

Respectfully Submitted,

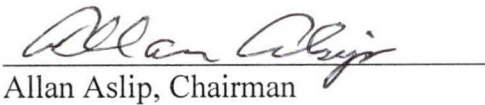


John B. Baughman  
**BAUGHMAN HARP, PLLC**  
Attorney at Law  
401 West Main Street, Suite 1  
Frankfort, Kentucky 40601  
502-227-2271 (Phone)  
502-352-2936 (Fax)  
JBaughman@Hazelcox.com  
*Counsel for Ridgelea Sewage Disposal, Inc.*

**VERIFICATION**

On behalf of Ridgelea Sewage Disposal, Inc., I have read the above answers and believe then to be true and accurate.

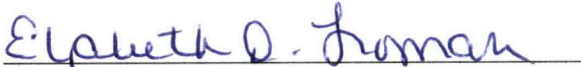
Farmdale Sanitation District



Allan Aslip, Chairman

Commonwealth of Kentucky )  
  )Ss.  
County of Franklin                    )

Subscribed, sworn to and acknowledged before me this 24<sup>th</sup> day of July, 2017, by Allan Aslip, as Chairman of Farmdale Sanitation District.



Elizabeth D. Loman, Notary Public  
State at Large, Commonwealth of Kentucky  
My Commission expires: August 6, 2019  
Notary ID: 539406

**ANSWER NO. 1**

**ATTACHMENT**

**AGREEMENT TO PURCHASE BETWEEN  
RIDGELEA INVESTMENT INC. AND  
FARMDALE SANITATION DISTRICT**

**AGREEMENT**

**THIS AGREEMENT TO PURCHASE REAL ESTATE** made this 1<sup>st</sup> day of February, 2017, by and between **Ridgelea Investments Inc.**; 2016 West North Bend Road, Cincinnati, Ohio, 45239, hereinafter referred to as (“Seller”), and **Farmdale Sanitation District**, 321 West Main Street, Frankfort, Kentucky 40601, hereinafter referred to as (“Buyer”).

**WHEREAS**, the Seller operates three (3) Waste Water Treatment Plants (“WWTPs”), in Franklin County, Kentucky, which are regulated by the Kentucky Public Service Commission, (“PSC”); and said WWTPs are known as the Edgewood, Meadowbrook and Farmgate WWTPs, respectively; and

**WHEREAS**, the Seller has filed Case No. 2016-00106 with the PSC giving notice of its intention of abandoning the property and the operation of the WWTPs; and,

**WHEREAS**, the Seller intends to convert the pending abandonment action before the PSC to a request for approval of a voluntary transfer pursuant to the terms of this Agreement;

**NOW THEREFORE, WITNESSETH:**

For **ONE DOLLAR (\$1.00)** and other good and value consideration, the Seller agrees to sell to Buyer, who agrees to buy from Seller, certain real property located in Franklin County, Kentucky, with all appurtenances thereto and improvements thereon (“the property”) which is more particularly described on Exhibit “A” attached hereto upon the following terms:

1. The Seller shall be responsible for all its debts and financial obligations until the day of the closing and will hold the Buyer harmless from any liability thereon.
2. In addition to the real property shown on Exhibit “A”, the Seller shall also transfer to Buyer all of its bank accounts, business records and any personal property used in the operation of the WWTPs; except the parties agree the Seller may use so much of its cash on hand as may be necessary to pay off and satisfy any of its debts attributable solely to

the ownership or operation of the three WWTPs subject to this Agreement until such time as the PSC issues an order approving the transfer of ownership anticipated by this Agreement.

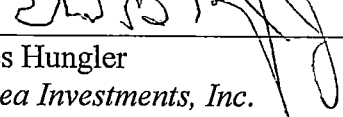
4. If title to the property is not good and marketable as herein provided, this Agreement shall be null and void; neither party shall be entitled to, nor obligated to pursue, specific performance if the other party defaults on its obligations herein.
5. The parties agree the Buyer's obligations herein are contingent upon Buyer and Seller obtaining approval from the PSC to sell to Buyer in accordance with this Agreement.
6. Upon the execution of this Agreement, the Buyer agrees to cooperate with the Seller in obtaining approval of the PSC.
7. The Seller shall continue to operate the WWTPs until the PSC approves the transfer contemplated by this Agreement.
8. Both Parties agree to cooperate while the case before the PSC is pending and Seller, upon reasonable notice, shall make the WWTP facilities, business records, and bank accounts available for Buyer to review.
9. The Seller agrees to operate the WWTPs until the PSC approves the transfer of ownership contemplated by this Agreement and the Seller conveys the WWTP's real and personal property to the Buyer. Seller will pay all taxes due for 2017.
10. Upon execution of this Agreement, the same shall become binding upon and inure to the benefit of the Buyer and Seller, their respective assigns and successors.
11. Seller and Buyer acknowledge receipt of a full and complete copy of this instrument and declare that it embodies the entire Agreement between them with respect to said property and that no promises, terms, conditions, warranties or agreements other than those herein contained have been made or were relied upon.



IN TESTIMONY WHEREOF, witness the signatures of the Seller and Buyer hereunto  
affixed the day and year first hereinabove written, this Agreement being executed in duplicate.

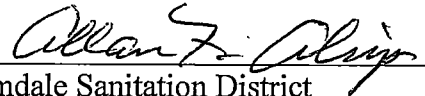
**SELLER:**

Elizabeth D. Roman  
Witness

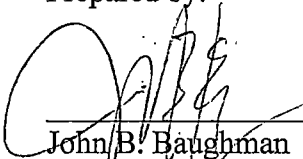
By:   
Charles Hungler  
*Ridgelea Investments, Inc.*

**BUYER:**

Elizabeth D. Roman  
Witness

By:   
Farmdale Sanitation District

Prepared by:

  
John B. Baughman  
Baughman Harp, PLLC  
401 West Main St., Suite 1  
Frankfort, Kentucky 40601  
Phone: (502) 227-2271  
Fax: (502) 352-2926  
Email: [Jbaughman@Hazelcox.com](mailto:Jbaughman@Hazelcox.com)

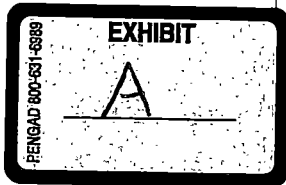
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GUY R. ZEIGLER

O.F.C.C.  
D.C.

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D E E D



THIS DEED OF CONVEYANCE, made and entered into this 5th day of November, 2003, by and between MULBERRY ENTERPRISES, INC., a Kentucky corporation, whose mailing address is 312 Preston Way, Frankfort, Kentucky 40601, party of the first part and RIDGELEA INVESTMENT, INC., an Ohio corporation, whose mailing address is 11264 Sebring Drive, Cincinnati, Ohio 45240, party of the second part.

WITNESSETH:

That for and in consideration of the sum of TEN THOUSAND (\$10,000.00) DOLLARS, cash in hand paid, the receipt and sufficiency of which is hereby acknowledged, the party of the first part has this day bargained and sold, and by these presents, does hereby bargain, sell, alien and convey unto party of the second part, its successors and assigns forever, the hereinafter described property, being situated in Franklin County, Kentucky, and more particularly described as follows, to-wit:

TRACT I

Being all of Lot No. 64 of the Edgewood Estates Subdivision as shown upon map or plat of said subdivision of record in Plat Book 1, page 17, in the Office of the Franklin County Court Clerk.

TRACT II

Being all of Lot No. 65 of the Edgewood Estates Subdivision as shown upon a map or plat of a portion of the Edgewood Estates Subdivision of record in Plat Cabinet A, Slide 6, in the Office of the Franklin County Court Clerk, to which map or plat reference is made for a more particular description of the property herein conveyed.

TRACT III

Being all of Tract A of the Meadowbrook Subdivision including the right to use the 12 foot sewer ingress and egress easement, as shown upon the final revised plat of a portion of the Meadowbrook Subdivision of record in Plat Cabinet A, Slot 259, in the Office of the Franklin County Court Clerk.

TRACT IV

Being all of Lot 9 of the Farmgate Subdivision, Section 2, as shown upon a map or plat of said subdivision of record in Deed Book 232, page 497, in the Office of the Franklin County Court Clerk, to which

I, GUY R. ZEIGLER, CLERK OF FRANKLIN COUNTY  
DO CERTIFY THAT \$10.00  
WAS COLLECTED AS TAX ON THIS DEED.  
GUY R. ZEIGLER, BY *Guy R. Zeigler*

000421

map or plat reference is made for a more particular description of the property herein conveyed.

Being the same property conveyed to Mulberry Enterprises, Inc., a Kentucky corporation, by Roy Peach and Elois Peach, his wife, and County Wide Rentals, Inc., a Kentucky corporation, by deed dated December 21, 1981, and of record in Deed Book 376, page 145, in the Office of the County Clerk of, Franklin County, Kentucky.

TO HAVE AND TO HOLD the within described property unto the party of the second part, its successors and assigns forever, with Covenant of General Warranty of Title, subject to easements of record, and rules, regulations, requirements and restrictions of the Frankfort-Franklin County Planning and Zoning Commission.

IN TESTIMONY WHEREOF, the party of the first part has hereunto caused the execution hereof as of the day and year first hereinabove written.

MULBERRY ENTERPRISES, INC.  
(A Kentucky Corporation)

BY: *Jerry A. Hardin*  
JERRY A. HARDIN, PRESIDENT

COMMONWEALTH OF KENTUCKY )  
 ) SCT.  
COUNTY OF FRANKLIN )

The foregoing instrument was acknowledged before me by JERRY A. HARDIN, as President of MULBERRY ENTERPRISES, INC., a Kentucky corporation, and on behalf of Mulberry Enterprises, Inc., on this the 5<sup>th</sup> day of November, 2003.

*Doel*  
Notary Public

My Commission Expires: 10.26.2007

CONSIDERATION CERTIFICATE

We, the undersigned, hereby certify that the consideration reflected in this deed is the full consideration paid for the property.

MULBERRY ENTERPRISES, INC.  
(A Kentucky Corporation)

BY: *Jerry A. Hardin*  
JERRY A. HARDIN, PRESIDENT

RIDGELEA INVESTMENT, INC.  
(An Ohio Corporation)

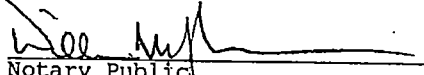
BY: *Charles Hungler*  
CHARLES HUNGLER, PRESIDENT

COMMONWEALTH OF KENTUCKY )  
COUNTY OF FRANKLIN )

000422

) SCT.  
)

The foregoing Consideration Certificate was subscribed and sworn to before me by **JERRY A. HARDIN**, as President of **MULBERRY ENTERPRISES, INC.**, a Kentucky corporation, and on behalf of Mulberry Enterprises, Inc., **GRANTOR**, on this the 5<sup>th</sup> day of November, 2003.

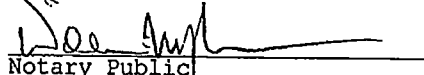
  
Notary Public

My Commission Expires: 10-26-2007

COMMONWEALTH OF KENTUCKY )  
COUNTY OF FRANKLIN )

) SCT.  
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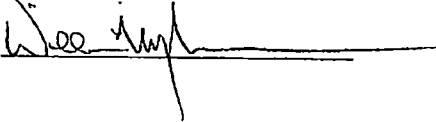
The foregoing Consideration Certificate was subscribed and sworn to before me by **CHARLES HUNGLER, Jr** as President of **RIDGELEA INVESTMENT, INC.**, an Ohio corporation, and on behalf of Ridgelea Investment, Inc., **GRANTEE**, on this the 5<sup>th</sup> day of November, 2003.

  
Notary Public

My Commission Expires: 10-26-2007

**TITLE NOT EXAMINED**

I HEREBY CERTIFY THAT  
THE FOREGOING INSTRUMENT  
WAS PREPARED BY:  
William M. Johnson  
Attorney at Law  
219 St. Clair Street  
Frankfort, Kentucky 40601



STATE OF KENTUCKY, COUNTY OF FRANKLIN, SCT.

I, GUY R. ZEGLER, CLERK OF SAID COUNTY, HEREBY CERTIFY  
THAT THE FOREGOING INSTRUMENT HAS BEEN DULY RECORDED  
Filed BOOK 410 PAGE 420 IN MY SAID OFFICE

GUY R. ZEGLER, CLERK BY 

**ANSWER NO. 2**

**ATTACHMENT**

**RIDGELEA INVESTMENTS, INC.'S  
FEBRUARY 1, 2017  
MEETING MINUTES**

Extract of Minutes of Meeting of the Board of Directors of  
Ridgelea Investments, Inc., February 1, 2017

A meeting of the Board of Directors of Ridgelea Investments, Inc., was held at 2106 W North Bend Road, Cincinnati, Ohio. All directors were in attendance, namely, Charles Hungler, Jr. and Karen Hungler.

Among other matters the following were discussed:

The completion of an agreement to transfer ownership all of the corporation's wastewater treatment plants in Franklin County Kentucky to the Farmdale Sanitation District. The wastewater treatment plants which shall be transferred include the respective three plants which serve the Edgewood, Meadowbrook and Farmgate subdivisions in Franklin County Kentucky.

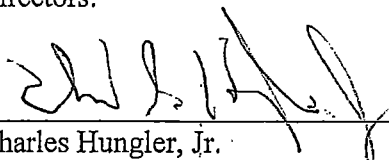
The directors unanimously agreed to the following, immediate action:

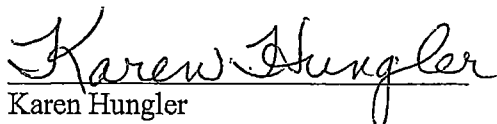
Charles Hungler, the President of the corporation, is authorized to execute a Real Estate Purchase Agreement with the Farmdale Sanitation District for the transfer of ownership of the aforesaid wastewater treatment plants without monetary consideration and to execute the deed or deeds and any other ancillary documents necessary to complete the transfer.

The above described action was approved and the meeting adjourned by unanimous consent.

Approved by:

Directors:

  
\_\_\_\_\_  
Charles Hungler, Jr.

  
\_\_\_\_\_  
Karen Hungler

**ANSWER NO. 3**

**ATTACHMENT**

**FARMDALE SANITATION DISTRICT BOARD  
SPECIAL CALLED MEETING  
JANUARY 26, 2017  
MINUTES**

FARMDALE SANITATION DISTRICT BOARD

January 26, 2017

Special Called Meeting

Farmdale Sanitation District Board was called to order on January 26, 2017 at the Evergreen Baptist Church, 2698 Evergreen Road.

Board Members Present: Chairman Allan Alsip, Treasurer Denis King, Secretary Joy Peach.

Others Present: County Judge Executive Huston Wells, Ann Northcutt, Robert Hewitt Director Franklin County Planning & Building Codes, Ray Bascom of H.M.B. Franklin County Magistrates, & citizens of the Farmdale Sanitation District.

County Judge Huston Wells gave opening remarks and welcomed the public to the meeting.

Motion by Treasurer Denis King to accept Minutes from Last Meeting. Second by Secretary Joy Peach. Motion carried.

Motion by Treasurer Denis King that Farmdale Sanitation Board enter into a purchase agreement for the assets of the Ridgelea Investments, Inc. for the WWTP'S and the collection systems including the Farmgate, Meadowbrook, and Edgewood systems. That the Farmdale Sanitation District enter into a purchase agreement for the assets of the Evergreen WWTP and the collection system. Second by Secretary Joy Peach. Motion carried.

Recess of meeting so Robert Hewitt & H.M.B. can explain and give a slide show of the future project of Farmdale Sanitation Board. After which the public can ask questions of the Board and H.M.B.. The Board collected release forms from property owners for the H.M.B. survey crew to enter their property for the purpose of determining the routes of future trunk sewer lines.

Motion to adjourn. Motion carried.

Approved:

Chairman Allan Alsip: Allan Alsip

Treasurer Denis King: Denis King

Secretary Joy Peach: Joy Peach



**ANSWER NO. 5a**

**ATTACHMENT**

**OPERATION AND MAINTENANCE AGREEMENT FOR  
FARMDALE SANITATION DISTRICT**

**AGREEMENT FOR ENGINEERING SERVICES**

**PACE ANALYTICAL TERMS AND CONDITIONS**

**BILLING CONTRACT**

# **OPERATION AND MAINTENANCE AGREEMENT FOR FARMDALE SANITATION DISTRICT**

This **OPERATION AND MAINTENANCE AGREEMENT** (the "Agreement"), dated May 1, 2017, between the Farmdale Sanitation District whose address is 313 West Main St., Frankfort, KY 40601 (the "Owner"), and Professional Wastewater Services, LLC (the "Operator"), whose address is 238 Westover Road, Frankfort, KY 40601.

## **Recitals**

WHEREAS, Farmdale Sanitation District is the owner of the sanitary sewer collection, transmission and treatment systems, this being the Edgewood, Farmgate, Meadowbrook, Coolbrook, Evergreen and Farmdale WWTP's, including the respective sanitary collection and transmission systems and the respective wastewater treatment plant, all being designed to receive and treat the sanitary sewage of the properties served, respectively, by the sanitary sewer systems and which are located on the Owners property (the "Facilities"); and

WHEREAS, the Owner desires to engage the Operator to operate and maintain the Facilities on behalf of the Owner, and the Operator desires to accept such engagement; and

WHEREAS, the Owner is authorized by law to enter into this Agreement.

NOW, THEREFORE, in consideration of the promises and the mutual covenants herein contained, the parties agree as follows:

## **Article 1**

### **Standard Services**

**1.1 Operation and Maintenance.** Commencing on May 1, 2017, or such other date mutually acceptable in writing to the Operator and the Owner (the "Effective Date"), the Operator will provide all routine maintenance of the Owner's Facilities on a 7 day per week basis within the System Capabilities of the Facilities as specified in the original plans for the system, and to include subsequent structural changes (the "System Capabilities"). For purposes of this Agreement, routine operation and maintenance shall include all activities necessary to satisfy the requirements imposed on the Owner by the existing Discharge Permits (the "Discharge Permits"), currently applicable to the Facilities and described further in Sections 1.2 through 1.8.

**1.2 Routine Operations and Preventive Maintenance Services.** The Operator will perform routine and/or repetitive activities required to operate the Facilities and to maximize the service life of the equipment and Facilities. These services include the Operator's personnel, vehicle costs, and basic tools. In general, these services are to be provided on a daily basis to include those in the Best Management Practices (the "BMP").

**1.3 Corrective Maintenance Services.** The Owner shall contract with others for specialized mechanical, electrical, and other specialized maintenance services and in doing so assumes responsibility for the replacement parts, materials, and associated component costs. The Operator will identify the need for corrective maintenance during its routine operation and either perform the corrective maintenance as needed or flag the item for attention by a third party electrical or mechanical contractor. The Operator shall consult with and obtain approval from the Owner on any single maintenance expenditure expected to exceed \$250.00; provided, however, that the Owner Liaison may approve maintenance or other expenditures exceeding \$250.00, without other Owner approval, if in reasonable judgment of the Owner Liaison such expenditures are necessary to prevent or alleviate an emergency situation. Otherwise, the Operator shall have the authority to charge lesser items to the maintenance budget as necessary and appropriate to maintain the system.

**1.4 Emergency Callout Services.** The Operator shall provide personnel to respond to emergency callouts from power outages, storm response, and alarm callouts on a 24/7 basis. Emergency callout services may be provided at any time.

**1.5 Laboratory Services.** The Owner will be responsible for contracting with a state certified laboratory for the collection of all system and groundwater samples in accordance with the frequency and parameter requirements of the Discharge Permit.

**1.6 Staffing.** The Operator will provide employees of the Operator for the staffing of the Facilities both for routine operations and on an emergency callout basis. The operator shall be deemed to be an independent contractor for purposes of applicable wage, fringe benefit, and worker compensation laws.

**1.7 Liaisons.** The Operator's primary liaison regarding decisions and other matters related to the operation of the Facilities shall be with the Owner Liaison. If requested, or necessary, the Operator will also communicate with Owner's Engineer. The Operator shall serve as the Owner's liaison to regulatory agencies in matters related to the operation of the Facilities.

**1.8 Regulatory Compliance.** Subject to the limitations of the System Capabilities, the Operator shall operate the Facilities in compliance with current state and federal regulatory requirements and the Discharge Permit.

**1.9 Reports and Records.** The Operator will prepare and sign, as appropriate, all reports required by state and federal regulatory agencies, and will maintain other records deemed useful by the Operator and Owner to monitor and control the operation of the Facilities. The Operator will cooperate with the Owner in providing records and reports in the format deemed by the Owner to be most suitable to its needs, and to include all pertinent information held by

the Operator. The Operator shall prepare and timely submit to the Owner monthly activity reports including a summary of routine preventative maintenance, corrective maintenance, and emergency callouts. The Operator shall also, annually, compile a general summary of significant events, including monthly reports, alarm callouts with the answering service log, maintenance cost reports, results of any tests, and any other concerns or situations affecting the Facilities.

## Article 2

### Responsibilities of the Operator

**2.1 Non-Routine Services.** Additional services, including the cost of labor, parts and subcontractors, not considered routine under this Agreement or required as a result of flood, fire, Act of God or other force majeure, civil disturbance, or other event or circumstance beyond the Operator's control (collectively, "Non-Routine Services"), are not included in the Standard Services as defined in Article 1. The Operator will assist the Owner in obtaining or providing, or the Operator will obtain and provide, any such services so required, and the Operator will be paid for such Non-Routine Services in accordance with Section 4.4. If such services are provided by subcontractors or other third parties, the contractors or other third parties shall bill the same directly to the Owner, except as to incidental or minor purchases.

**2.2 Performance of Duties and Obligations.** The operator shall perform the services and duties under this Agreement in accordance with the standard of care and diligence normally provided by other professionals providing similar services.

**2.3 Insurance Coverage.** The Operator will provide and maintain at all times during the term of this Agreement the following minimum coverage:

- (a) General Liability Insurance of ONE MILLION DOLLARS (\$1,000,000);
- (b) Excess Liability Insurance of ONE MILLION DOLLARS (\$1,000,000);
- (c) Automobile Liability Insurance of FIVE HUNDRED THOUSAND DOLLARS (\$500,000);

The operator will furnish the Owner with Certificates of Insurance as evidence that policies providing the required coverage and limits are in full force and effect, and shall update such certificates within thirty (30) days of any change on the policies and coverage such that the Owner shall file a copy of current and effective certificates in the Owner's office on an ongoing basis. Such policies shall provide that no less than thirty (30) days advance notice of the cancellation, termination, or material alteration shall be sent directly to the Operator and the Owner.

**2.4 Proprietary Rights.** All facility records, data, software, and information, including, but not limited to, operation reports, laboratory data, and budgetary and financial information shall remain the property of the Owner. All operating procedure guidelines, preventive maintenance

programs, and plat evaluation reports shall, upon termination of this Agreement, remain the property of the Owner.

**2.5 The Operator's Equipment.** Any temporary or portable equipment which is provided by the Operator during the term of this Agreement and which is not deemed part of the Facilities shall remain the property of the Operator upon termination of this Agreement. Any temporary or portable equipment that is part of the Facilities or, which is purchased with the Owner's funds, shall remain property of the Owner upon termination of this Agreement. The Operator shall not make any capital replacements of the Facilities or any component thereof without the prior written approval of the Owner.

**2.6 Responsibility for Testing and Monitoring.** It shall be the responsibility of the Operator to coordinate with a Third Party State Certified Lab of the Owners choice to ensure proper collection of Effluent samples for the purpose of required testing.

**2.7 Services.** The operator shall submit invoices for services hereunder on a monthly basis, following the end of each preceding month.

**2.8 Licenses.** The Operator shall maintain the appropriate licenses in accordance with regulations mandated by the State.

### Article 3

#### Responsibilities of the Owner

**3.1 Basic Owner Responsibilities.** As a part of this Agreement, the Owner agrees to perform all functions and retain all responsibilities and obligations related to the Facilities not expressly assumed herein by the Operator, including without limitation, the following:

(a) The Owner shall obtain and maintain in full force and effect all warranties, easements, permits, <sup>licenses</sup> licenses, and other approvals and consents necessary to operate and maintain the Facilities as owner of the Facilities and components parts thereof.

(b) The Owner shall be responsible for prompt payment of the Operator for any and all services rendered. Any billing adjustments shall be credited to the next billing cycle, and shall not be the basis for delay or withholding of payment.

(c) The Owner shall be responsible for expenditures for all capital and/or replacement, corrective maintenance, and for all repairs and replacement of the Facility assets.

(d) The Owner shall enforce all property ordinances, including those pertaining to user pretreatment standards and provide for the billing and collection of all user fees and rates pertaining to the Facilities.

(e) The Owner shall, at all times, provide access to the Facilities for the Operator, its agents, and employees.

(f) The Owner shall provide security at the Facilities including keyed alike locks or other mechanisms to secure the Facilities.

(g) The Owner shall pay for phone service for automatic alarm systems, in addition to the Operator's standard services.

(h) The Owner shall provide the Operator the use of all existing equipment owned by the Owner necessary for the operation and maintenance of the Facilities.

(i) The Owner shall be responsible for damage and liability to the Facilities or components thereof caused by flood, fire, Acts of God or other force majeure, civil disturbance, Acts of War, terrorism or misuse of property caused other than by acts, errors or omissions of the Operator.

(j) The Owner shall be responsible for all fines and penalties imposed for process upsets, violation of discharge limits, and violation of Discharge Permits attributable to the operation and maintenance for the Facilities together with the related costs and expenses, except as caused by the acts, errors or omissions of the Operator.

(k) The Owner shall designate a person (Owner Liaison) to act as liaison with the Operator in connection with the performance of services by the Operator under this Agreement.

(l) The Owner shall be responsible for all claims, damages and liability resulting from the backup of wastewater in the collection system except as caused by the acts, errors or omissions of the Operator.

(m) The Owner shall contract with a third party to assist in the maintaining and repairing of sewers, cleanouts, outfalls, and other appurtenances not constituting the Facilities.

(n) The owner shall be responsible for the selection and payment of a state certified laboratory.

#### Article 4

##### Compensation

**4.1 Routine Operations and Preventative Maintenance Services.** As compensation for Services, as outlined in Section 1.2, the Owner shall pay the Operator a flat rate of FOUR THOUSAND FIVE HUNDRED DOLLARS (\$4,500.00) per month.

(A) Coolbrook – ONE THOUSAND FIVE HUNDRED DOLLARS (\$1,500.00) per month.

- (B) Edgewood – ONE THOUSAND DOLLARS (1,000.00) per month.
- (C) Evergreen – TWO HUNDRED FIFTY DOLLARS (\$250.00) per month.
- (D) Farmdale – ONE THOUSAND DOLLARS (\$1000.00) per month.
- (E) Farmgate – FIVE HUNDRED DOLLARS (\$500.00) per month.
- (F) Meadowbrook – TWO HUNDRED FIFTY DOLLARS (\$250.00) per month.

**4.2 Corrective Maintenance Services.** As compensation for Services as outlined in Section 1.3, the Owner shall pay the Operator on a Time and Materials base rate of \$50.00 per man-hour for maintenance services.

**4.3 Emergency Callout Services.** As compensation for Services as outlined in Section 1.4, the Owner shall pay the Operator on a Time and Materials base rate of \$50.00 per man-hour for callout services.

**4.4 Locating Services.** As compensation for locating sewer lines in the Owner's collection system the Owner shall pay the Operator on a Time and Materials base rate of \$50.00 per man-hour for locating services.

**4.4 Non-Routine Services.** Cost for Non-Routine Services provided by the Operator pursuant to Section 2.1 shall be paid by the Owner to the Operator separately on a Time and Materials basis. Time shall be billed within accordance with the Operator's standard published rates at the times services are rendered, or by lump sum, or by project specific quote.

**4.5 Other Contractors.** Any services provided directly to the Owner by others are not covered under this Agreement.

**4.6 Rates Frozen.** The Operator agrees to freeze the base rates outlined in Section 4.1, 4.2 and 4.3 for the term of this Agreement.

## **Article 5**

### **Term of Agreement**

**5.1 Term.** This Agreement shall remain in full force and effect for 12 months from the Effective Date and is subject to all of the terms hereof. Not less than three months prior to the expiration of 12 months after the Effective Date, the Operator may present a proposal to the Owner to extend or renew this Agreement, for the Owner's consideration, in the Owner's sole discretion.

## **Article 6**

## Termination

**6.1 Termination by the Owner.** This Agreement may be terminated upon 30 days written notice given by the Owner to the Operator for default by the Operator. In the event of a default by the Operator, this Agreement shall not be terminated if the Operator fully cures the default within such 30 day period.

**6.2 Termination by the Operator.** This Agreement may be terminated upon 30 days written notice given by the Operator to the Owner for default by the Owner. In the event of default by the Owner, this Agreement shall not be terminated in the Owner fully cures the default within such 30 day period.

**6.3 Termination Without Cause.** This Agreement may be terminated by either the Operator or the Owner for any reason by giving 90 days written notice to the other party.

## Article 7

### Miscellaneous

**7.1 Assignment.** This Agreement may not be assigned by either party hereto except with the written consent of the other party.

**7.2 Previous Agreements.** This contract shall be the only agreement between the parties for the services described herein, and this agreement shall supersede and replace any previous agreements for similar services.

**7.3 Entire Agreement.** This Agreement represents the entire agreement of the parties and may only be modified or amended in writing signed by both parties.

**7.4 Notices.** Written notices required to be given under this Agreement shall be deemed given when mailed by first class mail to the Operator, Attention: Kenneth Hogsten, and to the Owner, Attention: Susan, Owner Liaison at the address set forth for each in the opening paragraph of this Agreement.

**7.5 Claims and Rights.** No waiver, discharge, or renunciation of any claim or right of the Operator arising out of breach of this Agreement by the Owner shall be effective unless in writing signed by the Operator and supported by separate consideration.

**7.6 Captions.** The captions or headings of the various articles and sections of the Agreement are for convenience only and they shall be ignored in interpreting the Agreement.

**7.7 Governing Law.** This Agreement shall be deemed to have been made in Franklin County, Kentucky, and shall be governed by, and construed in accordance with, the laws of the State of Kentucky.



**7.8 Third Party Liability.** Except as specifically stated in this Agreement, this Agreement does not create any rights or benefits to parties other than the Owner and the Operator.

**7.9 Disputes.** With respect to any dispute arising under this Agreement, the parties shall have all rights and remedies available by law, including but not limited to the submission of a dispute to arbitration if both parties agree to do so and agree to be bound by the decision of the arbitrator.

**7.10 Authority to Contract.** Each party warrants and represents that it has authority to enter into this Agreement.

**7.11 Modifications.** This Agreement may not be modified or amended except in writing, signed by both parties and which expressly states that it is intended to modify or amend this Agreement.

IN WITNESS WHEREOF, the Owner, by its duly authorized representative, and the Operator, by its duly authorized officer, has executed this Agreement as of the date and year first above written.

WITNESSES:

Joy C. Paus  
\_\_\_\_\_

OWNER

BY: Alan Z. Blais 4/27/2017  
(NAME) (DATE)

ITS: Chairman, Farmdale Sanitation Dist.  
(TITLE)

WITNESSES:

Joy C. Paus  
\_\_\_\_\_

OPERATOR

BY: [Signature] 4/27/2017  
(NAME) (DATE)

ITS: Owner, Professional Wastewater Services LLC  
(TITLE)

**AGREEMENT FOR ENGINEERING SERVICES**

**CONTINUING SERVICES AGREEMENT  
FOR  
FARMDALE SANITATION DISTRICT  
FRANKLIN COUNTY, KENTUCKY**

This AGREEMENT FOR ENGINEERING SERVICES made and entered into in Franklin County, Kentucky by and between the Farmdale Sanitation District (hereinafter referred to as the OWNER) and Haworth-Meyer-Boleyn Professional Engineers, Inc. (hereinafter referred to as the ENGINEER).

- I. **WHEREAS**, the OWNER wishes to have an agreement with the ENGINEER for general miscellaneous work including, but not limited to: preliminary engineering, engineering design, advertising and bidding, construction administration, construction observation, miscellaneous meetings, plan review and any other "on-call" engineering services that may be requested by the OWNER involving infrastructure located within the OWNER's sanitary sewer service area located in southwest Franklin County.
- II. **NOW THEREFORE**, be it understood that the ENGINEER agrees to provide the engineering services required in accordance with a negotiated Scope of Work on a case-by-case basis. Such a scope may include, but would not be limited to, such items as attendance at meetings, funding assistance, general engineering consultation, plans review, minor collection system or package wastewater treatment plant study, preparation of contract documents, value engineering, easement work, construction administration, construction observation, geotechnical investigation, archaeological/botanical surveys and land surveys,



**V. COMPLETION OF ENGINEERING SERVICES .**

The ENGINEER agrees to accomplish the work necessary to satisfy a scope of work in a timely manner. The ENGINEER shall not be held responsible for delays due to changes in the "Scope of Work" made by the OWNER, or by unforeseeable causes beyond the control of the ENGINEER. Reasonable time for completion of any task requested by the OWNER under this AGREEMENT may be negotiated upon request of the OWNER.

**VI. TERMINATION**

This AGREEMENT may be terminated by either party by seven (7) days "WRITTEN NOTICE" in the event of substantial failure to perform in accordance with the terms hereof by the other party through no fault of the terminating party. If the AGREEMENT is so terminated, the ENGINEER shall be paid for any partial progress completed. Should the ENGINEER fail to perform to the terms of this AGREEMENT or otherwise break or violate contract terms, then the OWNER shall inform the ENGINEER in writing and any disputed settlement of fees shall be decided by an Arbitration Group. The Arbitration Group shall be composed of one member selected by the OWNER, one by the ENGINEER, and a third agreeable to the two appointed Arbitrators.

**VII. PERSONNEL AND FACILITIES**

The ENGINEER states that he has or will acquire at his own expense the personnel and facilities necessary to accomplish the work within the time above specified.

#### **VIII. INSURANCE**

The ENGINEER agrees to maintain, at the ENGINEER'S expense, such insurance as will protect the ENGINEER and OWNER from claims under the Workman's Compensation Act and such Comprehensive General Liability Insurance as will protect the ENGINEER and OWNER from claims for bodily injury, death, or property damage which may arise from the performance by the ENGINEER or by the ENGINEER'S employees of the ENGINEER'S functions and services required under this AGREEMENT.

#### **IX. LIMITS ON LIABILITY**

The OWNER agrees to limit the ENGINEER'S liability arising from negligent acts, errors or omissions such that the total aggregate liability of the ENGINEER under this AGREEMENT, shall not exceed the ENGINEER'S total fee for that particular phase of work in which the negligent act, error or omission occurred.

#### **X. FUNDING**

Should the OWNER cause any of the projects to terminate or cause the funding from the various funding agencies to be lost, as a result of the OWNER'S actions, then the full amount of the Engineering Fees accumulated as a result of services rendered at that point shall be due to the ENGINEER.

#### **XI. GOVERNING LAW**

This AGREEMENT shall be governed by the laws of the Commonwealth of Kentucky. This AGREEMENT is entered into at Frankfort, Kentucky and all jurisdictional matters will be decided in Franklin County, Kentucky.

IN WITNESS WHEREOF, the parties have made and executed this AGREEMENT this

23rd day of June, 2016.

ENGINEER:

HMB PROFESSIONAL ENGINEERS, INC.

Joe Grider  
Joe Grider, PE, PLS – Principal-in-Charge

OWNER:

FARMDALE SANITATION DISTRICT

Allan F. Alsip  
Allan F. Alsip - Chairman

**ATTACHMENT A**  
**HOURLY BILLING RATES**

The engineering work performed under this AGREEMENT will be billed at the hourly rates listed below. It is important to note that these rates will change annually on or about January 1. The OWNER will be notified in writing of any change in these rates and the effective date of the change.

PRINCIPAL-IN-CHARGE	\$215.00
PLANNING/TRAFFIC ENGINEER	\$185.00
SENIOR DESIGN ENGINEER	\$180.00
SENIOR ENVIRONMENTAL SCIENTIST	\$165.00
DESIGN TECHNICIAN	\$160.00
DESIGN ENGINEER	\$150.00
ADMINISTRATIVE/FUNDING SPECIALIST	\$150.00
SENIOR RIGHT OF WAY AGENT	\$140.00
CONSTRUCTION MANAGER	\$140.00
FIELD PERSONNEL	\$85.00
ENGINEER-IN-TRAINING	\$80.00
CAD TECHNICIAN	\$80.00
ENVIRONMENTAL SCIENTIST	\$75.00
GRADUATE ENGINEER	\$75.00
ACQUISITION SPECIALIST	\$75.00
EXPENSES	Actual Cost + 15%



## Standard Terms and Conditions

1. **Controlling Provisions-** These Standard Terms and Conditions ("Terms") govern the agreed-upon services (the "Project") that Pace Analytical \_\_\_\_\_ ("Pace") will perform on behalf of Farquhar Sanitation District ("Client") (collectively, the Parties) and supersede any other written provisions (including purchase/work orders) related to the Project, as well as all prior discussions, courses of dealing, or performance.
2. **Warranty-** Pace hereby warrants that it will: 1) conduct all tests and observations using the protocols and laboratory procedures as specified in accepted task orders, scopes of work, proposals, or written instructions ("Contract Paperwork"); and 2) uphold the reasonable scientific and engineering standards in effect in the industry at the time the service/s is/are performed. If Client subsequently, including pursuant to an executed amendment, directs different procedures and/or protocols, which may or may not involve the use of any third-party laboratory or contractor, Pace cannot warrant the results and Client shall hold Pace harmless from all claims, damages, and expenses arising from Client's direction.
3. **Data-** Pace will provide Client with data as specified in the Contract Paperwork. Following final report issuance, Pace will retain back-up data for up to three (3) years and final reports for up to five (5) years. Pending Client's payment in full for Pace's contracted services, Pace may retain any Client data not already released.
4. **Intellectual Property/Ownership-** Pace shall retain sole ownership of any new method, procedure, or equipment it develops or discovers while performing services pursuant to the Contract Paperwork.
5. **Non-competition-** Client shall not solicit or recruit Pace personnel for at least 12 months following the termination of the Project governed by these Terms.
6. **Sample Delivery, Acceptance, and Containers-** Client shall provide Pace with at least 10 business days' prior written notice of the delivery of any sample(s). Within 72 hours following Client's notice, Pace shall issue a written rejection of the sample(s) or its acceptance may be presumed. Notwithstanding the foregoing, Client shall remain liable for any loss or damage to the sample(s) until Pace evidences its acceptance on the chain of custody documents. Pace reserves the right to charge for any sample container(s) that are: a) provided to, but not used, by Client; or b) received by Pace, but not analyzed at Client's request.
7. **Sample Storage and Disposal-** Pace shall dispose of any non-hazardous sample(s) within 30 days following the issuance of Client's final report unless Client expressly requests otherwise. Pace may charge Client for the costs of storing and disposing of any sample(s) (including extracts) that are, pursuant to Client's request, held for more than 30 days following the issuance of Client's final report. In addition, Pace may return, and Client must accept, any/all highly hazardous, acutely toxic, or radioactive sample(s), sample containers, and residues, as well as any/all sample(s) for which no approved method of disposal exists.



8. **Non-Assignment-** Neither party may assign or transfer any rights or obligations existing under these Terms without prior written notice to the other party, except that Pace may, without notice to its Client: a) transfer the Project to another Pace laboratory; or 2) subcontract the Project to a third-party laboratory.

9. **Time of Completion: Force Majeure-** Pace shall use its best efforts to accomplish the Project within any specified time limitations. Pace shall not be responsible for any non-performance or delay caused by Client, Client's employee, agents, or contractors, or factors or events beyond Pace's control, such as government shutdowns, natural disasters, labor strikes, or acts of God.

10. **Compensation-**

- a) The pricing offered to Client by Pace is predicated upon Client's acceptance of these Terms. In most cases, the pricing includes all sample containers and preservatives as prescribed by the analytical method requested for each determination. Credit worthiness will be determined based upon an assessment of Client's payment history, credit reports, financial stability, and/or other factors. If Pace is serving as a subcontractor for Client, Pace may seek and receive information about the Prime Client prior to granting credit. If credit is not granted, Client must pay Pace prior to initiation of the Project.
- b) Client agrees to pay for services as documented by Pace and accepted by Client. Payment terms for uncontested invoice items are net 30 days. Client must notify Pace in writing within 15 days of its receipt of the invoice in order to suspend its payment and interest obligations for any disputed invoice items pending resolution. Beginning 30 days after the invoice date, Pace may charge interest on all unpaid and undisputed balances at the rate of 1.5% per month, not to exceed the maximum rate allowed by law. Client may ask Pace to invoice a third party, although Client shall remain ultimately responsible for the payment of any outstanding balance.
- c) Client's failure to pay within 60 days of Pace's dated invoice shall constitute a material breach of these Terms, for which Pace may terminate all of its duties hereunder without liability. If Pace must subsequently take action to collect payment, Client shall pay all associated costs thereof, including attorneys' fees. Any significant changes to the scope of work following the submittal of a price quotation or the delivery of samples to the laboratory are subject to a renegotiation of prices and/or terms relating to the original scope of work. Qualifying changes may include, but are not limited to: QA/QC requirements and procedures; detection limits; samples received and stored, but not analyzed; a decrease in quantity of samples delivered compared to quantity quoted; and reporting and other deliverable format requirements. Pace shall not be required to comply with such changes unless Pace agrees to them in writing.

11. **Risk Allocation and Damages-** Client accepts that the Project may involve inherent risks and that Pace cannot always guarantee satisfactory results. Notwithstanding the foregoing, if a court of competent jurisdiction finds that Pace failed to meet applicable standards and if Client suffers damages as a result, Pace's aggregate liability for its negligence or unintentional breach of contract shall not exceed the total fee paid for its services.

This limitation shall not apply to losses arising from Pace's negligence or willful misconduct, so long as:

- a) Client notifies Pace within: 30 days from the date of discovery of Pace's claimed negligence or misconduct; or two years from the date of Client's claimed losses; and
- b) Pace is allowed to investigate and, insofar as possible, mitigate Client's claimed losses.

Neither Pace nor Client shall be liable to the other for special, incidental, consequential, or punitive losses, except as allowed in Section 12. Client Responsibilities below.

**12. Client Responsibilities- Client shall:**

- a) Provide Pace with full and complete information about all known or reasonably knowable factors that could affect Pace's ability to perform its obligations, and promptly notify Pace if it discovers same following Project Initiation;
- b) Enable access by Pace personnel and/or subcontractors to any site where Pace is to perform work, and to all Client personnel who are critical to the success of the Project;
- c) Obtain, on behalf of Pace, any authority or permission required by any third party;
- d) Provide Pace with at least 10 business days' notice of any known or reasonably knowable delay regarding the start-up, progress, or completion of the Project; and
- e) Pay for Pace's reasonable costs to perform any out-of-scope services, such as compliance audits, responding to subpoenas, etc.

If Client defaults on any of these responsibilities and Pace incurs labor and/or material costs as a result, Client shall reimburse Pace for its actual expenses, as well as any lost profits directly attributable to Client's default.

**13. Indemnification-** Pace shall indemnify and hold Client harmless from and against any demands, losses, damages, and expenses caused by Pace's negligence or willful misconduct, as well as by the negligence and willful misconduct by persons for whom Pace is legally responsible. Client shall likewise indemnify and hold Pace harmless from and against the demands, losses, damages, and expenses caused by Client's negligence or willful misconduct, including Client's use of Pace's name and/or registered mark for anything other than the specific purpose for which it was intended. In addition, Client shall fully indemnify Pace from and against any and all claims by a third party, as well as for all related losses, costs, fees, damages, liabilities or expenses arising out of or relating to Client's breach of these Terms or its violation of applicable laws.

**14. Insurance-** Pace carries liability insurance with limits as follows:

General liability - \$1,000,000 each occurrence; \$2,000,000 general aggregate;  
Personal and advertising injury - \$1,000,000;  
Automobile Liability - \$1,000,000 combined single limit;  
Excess Liability Umbrella - \$5,000,000 aggregate; \$5,000,000 each occurrence;  
Worker's Compensation Insurance - statutory limits; and  
Professional Liability \$5,000,000 aggregate, \$5,000,000 per claim.

Pace will, at Client's request, submit certificates of insurance showing limits of coverage.

**15. Amendments/Change Orders-** Any attempt to modify, vary, supplement, or clarify any provision of these Terms is of no effect unless reduced to writing and signed by both Parties. Any such changes may increase the amount due Pace and affect Pace's obligations towards Client (see Section 2. Warranty).

**16. Confidentiality-** Each party agrees that if, during the performance of the Project, it

becomes aware of any confidential or proprietary information of the other, it will not disclose such information except to those employees, subcontractors, or agents who have expressly agreed to maintain confidentiality.

17. Miscellaneous Provisions-

- a) These Terms supersede all prior negotiations and agreements, written or oral, between Pace and Client with respect to this matter; in no event will other terms -- excepting those contained in any individual task order(s) relating to this matter -- be considered part of these Terms.
- b) In the absence of an executed agreement between the Parties, the delivery of any sample(s) to a Pace laboratory will constitute acceptance of these Terms by Client.
- c) These Terms shall be construed and interpreted in accordance with the laws of the State of Minnesota without giving effect to the principles of conflicts of law thereof.
- d) Client may publically identify Pace's role as its testing laboratory so long as it immediately retracts or eliminates all such references upon termination of these Terms or Pace's written request.
- e) For purposes of these Terms, the Parties may use and rely upon electronic signatures and documents for the execution and delivery of these Terms and any amendments, notices, records, disclosures, or other documents of any type sent or received in accordance with these Terms.
- f) Pace is an independent contractor; no employer/employee relationship shall arise as a result of the Project.
- g) These Terms shall be binding upon, and inure to the benefit of, the Parties and their respective successors and assigns.

AGREED, as follows:

Farmdale Sanitation District  
Client Name

By: Allen A. Alcip

Name: Allen Alcip

Title: Chairman

Date: 6/8/2017

Pace Analytical

By: Brooke Chandler

Name: Brooke Chandler

Title: Assistant General Manager

Date: 6/13/2017

## **CONTRACT FOR BILLING SERVICES**

**THIS CONTRACT** is hereby made and entered by and between the Farmdale Sanitation District, (the Sanitation District) a special district created by ordinance of the Franklin County Fiscal Court, and the Farmdale Water District, (the Water District) a special district created by ordinance of the Franklin County Fiscal Court, and shall be effective upon the signing of this document by the duly authorized representative of both parties.

**WHEREAS**, the Sanitation District operates and maintains one or more package treatment plants for treatment of waste water in its authorized area of coverage of Franklin County, Kentucky; and

**WHEREAS**, the Sanitation District is authorized to collect fees for services for treatment of waste water treated in its package treatment plant(s), and is otherwise in need of a billing agency to bill and collect said fees from users of its system and services; and

**WHEREAS**, Farmdale Sanitation District has set forth the fees for its customers and users of its treatment facilities; and

**WHEREAS**, Farmdale Water District shares the same customers served by Farmdale Sanitation District and has the expertise, infrastructure and experience to provide billing and collection for Farmdale Sanitation District; and

**WHEREAS**, the duly constituted Boards of the Farmdale Sanitation District and the Farmdale Water District have authorized the parties to enter into an agreement wherein the Water District shall provide billing and fee collection services on behalf of the Farmdale Sanitation District and otherwise reduce the terms of the agreement to a written Contract

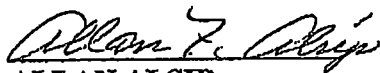
**NOW THEREFORE**, in consideration of the mutual promises contained herein, it is hereby agreed between the parties as follows:

1. Farmdale Water District will provide billing services for fees owed to Farmdale Sanitation District from the Sanitation District's customers, including collection, distribution, and enforcement of delinquencies to those customers it shares with Farmdale Sanitation District.
2. The Sanitation District will notify the Water District, in writing, of its rate schedule as of the effective date of this agreement. The Sanitation District will also notify the Water District, in writing, and within 30 days of any changes of the rates and any changes to the customer list.
3. The Water District will combine the billing for both districts, and bill all customers monthly. All bills will be due no later than the 10<sup>th</sup> of the month next immediately following the reading of the water meter.
4. The Water District shall submit to Sanitation District all fees collected, less its fees for billing, as forth herein, within thirty (30) days of receipt.
5. In consideration for billing services, collection and enforcement of nonpayment, the Water District shall be entitled to retain the sum of three Dollars (\$3.00) per monthly customer bill.
6. In the event of non-payment, the Water District may collect, at its own costs, any unpaid balances owed, and shall retain any additional fees for collection obtained, but shall in all events tender to the Sanitation District the balance owed, less the \$3.00 per monthly bill, within 30 days of receipt.

7. The books and accounting of the Water District's billing and collection shall be open for inspection by the Sanitation District at the Sanitation District's request. Said books shall be further subject to annual audit by an auditor selected by Farmdale Sanitation District at the Sanitation District's costs.
8. This agreement shall be effective for three (3) years, beginning the effective date below, and shall be automatically extended for additional two (2) year periods until terminated, unless notice is given by either party to the other, in writing, no less than sixty (60) days prior to the termination date. Either Party may terminate the matter for cause. Either Party may terminate this agreement for any reason by giving the other ninety (90) days written notice.
9. All modifications and notices to this agreement shall be made upon and between the parties in writing, at the respective addresses below.
10. This document represents the entire agreement between the parties.

This contract shall be effective the \_\_\_\_ day of \_\_\_\_\_ 2017.

Dated this 23 day of June, 2017

  
**ALLAN ALSIP**  
**CHAIR,**  
**FARMDALE SANITATION DISTRICT**  
c/o 321 West Main Street  
Frankfort, KY 40601

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**CLIFFORD TOLES**  
**CHAIR**  
**FARMDALE WATER DISTRICT**  
100 Highwood Drive  
Frankfort, KY 40601

**REQUEST NO. 6**

25090:7:FRANKFORT

**ANSWER NO. 5b**

**ATTACHMENT**

**FARMDALE SANITATION DISTRICT BOARD  
FARMERS BANK & CAPITAL TRUST COMPANY  
BANK STATEMENT**



Telephone: 502-227-1600

**STATEMENT OF ACCOUNT**

Previous Balance 83,399.14  
 Current Balance 83,399.14  
 Transactions 0

Date 01/31/2017 Page 1  
 Account Number XXXXXX0578

FARMDALE SANITATION DISTRICT  
 315 W MAIN ST  
 FRANKFORT KY 40601-1872



Business Builder ACCOUNT XXXXXX0578			
Beginning Balance	0 Deposits/Credits	0 Withdrawals/Debits	Ending Balance
\$83,399.14	+ \$.00	- \$.00	\$83,399.14

Date	DAILY TRANSACTIONS	Amount	Balance
12/30/16	BALANCE LAST STATEMENT		83,399.14
01/31/17	BALANCE THIS STATEMENT		83,399.14
	Minimum Balance		83,399.14
	Avg Available Balance		83,399.14
	Average Balance		83,399.14

**DAILY BALANCE**

Date	Balance
12/30/16	83,399.14

**INTEREST**

Average Ledger Balance	.00	Interest Earned	.00
Interest Paid This Period	.00	Days In Period	
		Annual Percentage Yield Earned	.00%

**OVERDRAFT AND RETURNED ITEM FEES**

	Total For This Period	Total Year-to-Date	Previous Year Total
Total Overdraft Fees	\$ .00	\$ .00	\$ .00
Total Returned Item Fees	\$ .00	\$ .00	\$ .00

**ANSWER NO. 9**

**ATTACHMENT**

**RIDGELEA INVESTMENTS, INC.'S  
ASSETS BY CLASSIFICATION - 1120S**

**Assets by Classification - 1120S**

(M) = MULBERRY

12/31/2016

**RIDGELEA INV.-FOR PSC DEPRECIATION ONLY**

Item No.	Description of Property **** indicates DISPOSED	Date Placed In Service	Asset Code	Business Use %	Cost or Other Basis	Sec. 179 Deduction	Credit	Special Allowance	Salvage Value	Recovery Basis	Recovery Period	Method	Con-vention Code	Prior Accum. Deprec., 179, Bonus	2016 Deprec.	2016 Accum. Deprec.
<b>5-yr Construction assets</b>																
373-G	TREATMENT & DISPOSAL	1/1/1979	F-18	100.00%	55,117 (M)	0	0	0	0	55,117	40.0	SL/GDS	HY	39,967	1,378	41,345
374-G	PLANT SEWERS-G	1/1/1979	F-18	100.00%	25,018	0	0	0	0	25,018	40.0	SL/GDS	HY	22,828	625	23,453
352.1M	COLLECTIONS SEWERS	1/1/1990	F-18	100.00%	7,493	0	0	0	0	7,493	10.0	SL	HY	7,493	0	7,493
373-M	TREATMENT & DISPOSAL	1/1/1990	F-18	100.00%	19,275	0	0	0	0	19,275	10.0	SL	HY	19,275	0	19,275
378	TREATMENT EQUIP.-IN 2012	6/1/2012	F-18	100.00%	12,000 (1/2 M)	0	0	0	0	12,000	10.0	SL/ADS	HY	4,200	1,200	5,400
Total: 5-yr Construction assets					118,903	0	0	0	0	118,903				93,763	3,203	96,966
<b>7-yr General purpose tools, machinery, and equipment</b>																
376-G	OTHER DISPOSAL EQUIPME	1/1/1979	F-10	100.00%	2,000 (M)	0	0	0	0	2,000	7.0	SL	HY	2,000	0	2,000
393DG	POWER OPERATED EQUIPM	1/1/1979	F-10	100.00%	18,307 (M)	0	0	0	0	18,307	10.0	SL	HY	18,307	0	18,307
393A/M	STORES EQUIP-MS	1/1/1990	F-10	100.00%	699 (M)	0	0	0	0	699	10.0	SL	HY	699	0	699
393BM	SHOP EQUIP-MS	1/1/1990	F-10	100.00%	1,983 (M)	0	0	0	0	1,983	10.0	SL	HY	1,983	0	1,983
393FM	OTHER TANGIBLE EQUIPME	1/1/1990	F-10	100.00%	1,652 (M)	0	0	0	0	1,652	10.0	SL	HY	1,652	0	1,652
393BG	SHOP EQUIPMENT-M	1/1/2003	F-10	100.00%	2,214 (M)	0	0	0	0	2,214	5.0	SL	HY	2,214	0	2,214
376M3	FLOW METER-M	9/11/2004	F-10	100.00%	2,010 (M)	0	0	0	0	2,010	10.0	SL	HY	2,010	0	2,010
376M2	AERATOR-M	6/30/2005	F-10	100.00%	1,939 (M)	0	0	0	0	1,939	10.0	SL	HY	1,939	0	1,939
377	EQUIPMENT IN 2012	6/1/2012	F-10	100.00%	10,200 (1/2 M)	0	0	0	0	10,200	10.0	SL/ADS	HY	3,570	1,020	4,590
Total: 7-yr Genl purp tools, mach, equip					41,004	0	0	0	0	41,004				34,374	1,020	35,394
<b>Land</b>																
310-M	LAND-M	1/1/1990	N-1	100.00%	1,851 (M)	0	0	0	0	1,851	0			0	0	0
Total: Land					1,851	0	0	0	0	1,851				0	0	0
<b>Amortization - 197 - Intangibles (goodwill, etc.)</b>																
109	UTILITY PLANT ACQ AD	8/30/2003	Z-9	100.00%	8,149 (M)	0	0	0	0	8,149	15.0	SL	FM	6,745	543	7,288
Total: Amort - 197 - Intangible costs					8,149	0	0	0	0	8,149				6,745	543	7,288
SubTotals					169,907	0	0	0	0	169,907				134,882	4,766	139,648
Less: Disposed Assets					( 0 )	( 0 )	( 0 )	( 0 )	( 0 )	( 0 )				( 0 )	( 0 )	( 0 )
Ending Totals					169,907	0	0	0	0	169,907				134,882	4,766	139,648