

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

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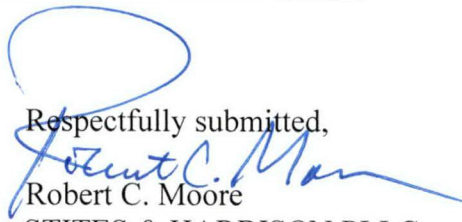
PUBLIC SERVICE  
COMMISSION

IN THE MATTER OF:

JOINT APPLICATION OF FARMDALE  
DEVELOPMENT CORPORATION AND  
FARMDALE SANITATION DISTRICT FOR  
THE APPROVAL OF THE TRANSFER OF A  
WASTEWATER TREATMENT PLANT TO  
FARMDALE SANITATION DISTRICT

CASE NO. 2017-00204

**FARMDALE DEVELOPMENT CORPORATION'S AND FARMDALE SANITATION  
DISTRICT'S RESPONSES TO COMMISSION STAFF'S FIRST REQUEST FOR  
INFORMATION TO JOINT APPLICANTS**



Respectfully submitted,

Robert C. Moore

STITES & HARBISON PLLC

421 West Main Street

P.O. Box 634

Frankfort, KY 40602-0634

Telephone: (502) 223-3477

Email: rmoore@stites.com

COUNSEL FOR JOINT APPLICANTS

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing was served by electronic mail on this 5<sup>th</sup> day of July, 2017 upon:

Rick Sparks  
Franklin County Attorney  
222 St. Clair Street, Suite 2007  
P.O. Box 73  
Frankfort, KY 40602  
Ressparks@aol.com



Robert C. Moore

REQUEST NO. 1

**REQUEST NO. 1:** Refer to Franklin County Fiscal Court Ordinance No. 4, 2004 Series attached to the Joint Application as Exhibit D.

- a. Provide a copy of each Franklin County Fiscal Court ordinance or resolution pertaining to Farmdale Sanitation approved or passed since February 6, 2004.
- b. Provide a copy of the minutes of the meeting at which the ordinance or resolution was approved.

**RESPONSE:**

a. Franklin County Fiscal Court Ordinance 4, 2004 Series, filed with the Joint Application as part of Exhibit D, is the only ordinance pertaining to Farmdale Sanitation approved or passed since February 6, 2004. Resolution No. 18-207 pertaining to a loan made to Farmdale Sanitation by the Franklin County Fiscal Court is attached.

b. Please see attached a certified copy of the minutes from the meeting held by the Franklin County Fiscal Court on February 6, 2004, in which Ordinance No. 4-2004 establishing the Farmdale Sewer District was approved. A certified copy of the minutes from the meeting held by the Franklin County Fiscal Court on June 30, 2017 in which Resolution No. 18-027 was approved is also attached.

ORDINANCE NO. 4  
2004 Series

AN ORDINANCE RELATING TO  
THE CREATION OF  
A SANITATION DISTRICT IN  
FRANKLIN COUNTY

WHEREAS, the Franklin County Fiscal Court recognizes the need for a Sanitation District to provide for the collection and disposal of sewage and other liquid wastes in Franklin County, Kentucky so as to prevent and correct the pollution of streams and provide for the general public health, safety and welfare; and recognizes the necessity that such a special district be empowered to construct sanitation facilities conducted to the public health, safety, comfort, convenience or welfare.

WHEREAS, the Kentucky Revised Statutes Chapter 67.715 as enacted by the Kentucky General Assembly authorizes the County Judge/Executive, with the approval of the Fiscal Court, to create and establish any special district, and KRS 67.083 provides for the establishment of necessary governmental services.

WHEREAS, it is the desire of the Fiscal Court of Franklin County, Kentucky to provide for the establishment of a Sanitation District within the County.

NOW THEREFORE, BE IT ORDAINED BY THE FISCAL COURT OF THE COUNTY OF FRANKLIN, COMMONWEALTH OF KENTUCKY:

In accordance with KRS Chapter 67.083 (2) and 67.083 (3) (c), (h) and (r) and KRS Chapter 67.083 (3) (c), (h) and (r) the Franklin County Fiscal Court grants its approval for the County Judge/Executive to establish a special district shall be known as the Farmdale Sanitation District.

The Farmdale Sanitation District shall be created and formed so that it shall have all powers and duties to reasonably, necessarily and effectively implement the provisions of and carry out the duties prescribed by KRS Chapter 220. The District shall be structured consistent with the provisions of KRS Chapter 220.

The Fiscal Court, Pursuant to KRS Chapter 220.035, reserves the power and authority to: review and approve, amend or disapprove proposed district land acquisitions; review and approve, amend or disapprove proposed district construction of capital improvements; review and approve, amend or disapprove proposed services charges or user fees; and review and approved, amend or disapprove proposed budget.

The District shall submit to the Fiscal Court all plans and documentation for review and approval, amendment or disapproval by tendering any such documents or plans to the Fiscal Court through the County Judge/Executive at least forty-five days prior to the proposed effective date or time for submission to any entity.

The proposed work of the District is necessary and conducive to the public health, safety, comfort, convenience and welfare. The District is established for the purposes of enumerated in KRS Chapter 220.030 which include providing for the collection and disposal of sewage and other liquid wastes produce within the district; and incident to such purposes and to enable their accomplishment, to construct, with all appurtenances thereto, laterals, truck sewers, intercepting sewers, siphons, pumping stations, treatment and disposal works, to maintain, operate and repair same, and do all other things necessary for the fulfillment of the purposes of KRS 220.010 to 220.520.

The District shall include an area in Franklin County, not to include the city of Frankfort, within and described by the following boundary:

The certain area located in Franklin County, Kentucky, containing and encompassed by the same boundary as the Farmdale Water District.

The District shall have the powers stated in KRS Chapter 220 including the power to sue and be sued, contract and be contracted with, incur liabilities and obligations, exercise the right of eminent domain, assess, tax, contract for rentals, issue bonds, and do and perform all acts necessary and proper for the carrying out for the purposes for which the District is created, and for executing the powers for which it is vested as provided in KRS Chapter 220.510.

The District shall have the power of condemnation, as provided and described in KRS Chapter 220.310; and may provide for a sewer service charge to be imposed and collected, as provided in KRS Chapter 220.510.

THIS ORDINANCE NO 4 SHALL BECOME EFFECTIVE ON THE DATE OF THE SECOND READING AND ADOPTION.

INTRODUCED, SECONDED AND GIVEN FIRST READING APPROVAL at a duly convened meeting of the Fiscal Court of Franklin County, Kentucky held on the 15 day of January 2004.

GIVEN SECOND READING AND ADOPTED at a duly convened meeting of the Fiscal Court of Franklin County, Kentucky, held on the 6 day of February 2004, and of record in Fiscal Court Order Book 19, Page 282.



Teresa A. Barton  
Franklin County Judge/Executive

ATTESTED TO:





# Franklin County Fiscal Court

321 West Main Street  
Frankfort, KY 40601

**Huston Wells**

*Franklin County Judge/Executive*


**Jennifer Wilson**

*Deputy County Judge/Executive*

June 23, 2017

## MEMORANDUM

To: Robert Hewitt, Director  
Planning & Zoning

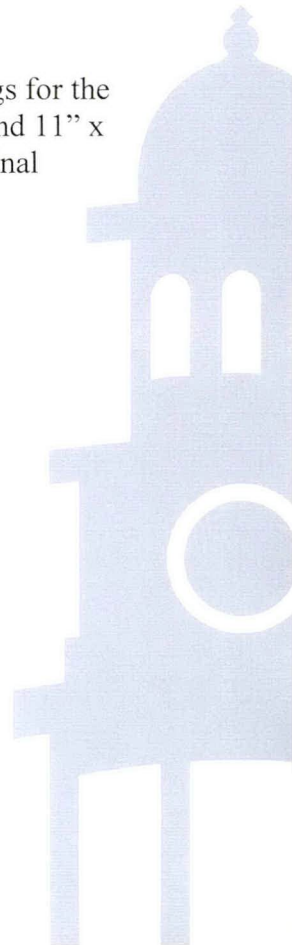
From: Shirley Brown, Fiscal Court Clerk 

Re: Your request for Fiscal Court minutes establishing Farmdale Sewer District

Reference your request to provide a copy of the minutes of the meeting of the Franklin County Fiscal Court at which Ordinance #4-2004 Establishing the Farmdale Sewer District was approved, I am attaching hereto a certified copy of the minutes from the meeting held on February 6, 2004.

In researching the minutes book, I found that the minutes recording fiscal court meetings for the period beginning June 25, 1999 thru March 21, 2005 are handwritten in pencil in a bound 11" x 16" minutes book. In an effort to preserve the integrity of the bound book and the original minutes, I submit to you the attached certified copy.

Attachment



## CERTIFIED COPY OF MINUTES

I, Shirley Brown, Clerk of the Fiscal Court of Franklin County, Kentucky, do hereby certify that the following is an accurate account of the minutes of the Franklin County Fiscal Court at a duly convened meeting held on Friday, February 6, 2004, as recorded on Page 268 in Fiscal Court Minutes Book No. 12-1997, beginning June 25, 1999, and ending December 20, 2006:

**FRANKLIN COUNTY FISCAL COURT  
FISCAL COURT ANNEX  
FRIDAY, FEBRUARY 6, 2004  
8:15 A.M. WORK SESSION/9:00 A.M. COURT  
FRANKFORT, KY**

Franklin County Fiscal Court met on Friday, February 6, 2004 in the third floor Fiscal Court Room at 315 West Main Street, Frankfort, KY. The meeting was called to order at 9:44 a.m. with Judge Teresa A. Barton, presiding. The following members of Fiscal Court were present: Squire Robinson, Squire Kring, Squire Dawson, Squire Fannin, Squire Wells, Squire Moore.

The County Judge/Executive report was given by Judge Teresa A. Barton

Presentation was given by Pete Walsh, Dave Weller, Bill Stroup, Ann Maenza and Wade Hughes of the YMCA.

1. Motion by Squire Kring, seconded by Squire Wells, for second reading and approval of Ordinance #1-2004, amending Ordinance #11, 1986 series relating to imposing license fees on business, occupations, and professions within Franklin County, Kentucky, so that said fee and payment can be administered more efficiently, pursuant to KRS.68.197. Voting in favor of the motion were Squires Robinson, Kring, Dawson, Wells and Judge Barton. Voting in opposition of the motion were Squires Fannin and Moore. Motion passed.
2. Motion by Squire Kring, seconded by Squire Dawson, for second reading and approval of Ordinance #2, 2004 amending Ordinance #8, adopted October 23, 1987, Fiscal Court Order Book 15, page 31, relating to the zoning ordinance in Franklin County to rezone Lot 15 of the Englewood Office Park subdivision from Professional Office (PO) to Highway Commercial (CH). Voting in favor of the motion were Squires Kring, Dawson, Fannin, Wells, Moore and Judge Barton. Voting in opposition of the motion was Squire Robinson. Motion passed.
3. Second reading of Ordinance #3, 2004 DENYING amending Ordinance #8, adopted October 23, 1987, Fiscal Court Order Book 15, page 31, relating to the Zoning Ordinance in Franklin County to rezone Lot 15 of the Englewood Office Park Subdivision from Professional office (PO) to Highway Commercial (CH). Failed due to lack of motion.



4. Motion by Squire Wells, seconded by Squire Dawson, for second reading and approval of Ordinance #4-2004, establishing the Farmdale Sewer District. Voting in favor of the motion were Squires Robinson, Kring, Dawson, Fannin, Wells, Moore and Judge Barton. Motion passed.
5. First reading of Ordinance #5-2004, amending Ordinance #8, adopted October 23, 1987, Fiscal Court Order Book 15, page 31, relating to the Zoning Ordinance in Franklin County, Kentucky in order to amend Article 1, General provisions, of the Ordinance removing section 1.08, provision for waivers and modifications was removed for further discussion.
6. Authorization to approve Resolution #2, 2004, accepting the Frankfort/Franklin County subdivision and site plan regulations, as approved by the Frankfort/Franklin County Planning Commission was removed for further discussion.
7. Motion by Squire Dawson, seconded by Squire Fannin, for authorization to approve Resolution #3, 2004, filing a CDBG application for Franklin County/Frankfort Industrial Park Daycare Center. Voting in favor of the motion were Squires Robinson, Kring, Dawson, Fannin, Wells, Moore and Judge Barton. Motion passed.
8. Motion by Squire Wells, seconded by Squire Kring, for authorization to appoint three (3) of four (4) people to the Stakeholder's Group for the Stormwater Phase II program-Wayne Dominick, Wes Clark and Chad Peach. Voting in favor of the motion were Squires Robinson, Kring, Dawson, Fannin, Wells, Moore and Judge Barton. Motion passed.
9. Motion by Squire Robinson, seconded by Squire Fannin, for authorization to accept quotes for plastic culvert pipe, aggregates, and guardrail (Cerf Grant) from Advanced Drainage, Harrod, Hanson, and A.W. Graham. Voting in favor of the motion were Squires Robinson, Kring, Dawson, Fannin, Wells, Moore and Judge Barton. Motion passed.
10. Motion by Squire Wells, seconded by Squire Moore, for authorization to purchase a dump truck from the State Price Contract from Peterson GMC in the amount of \$44,313. Voting in favor of the motion were Squires Robinson, Kring, Dawson, Fannin, Wells, Moore and Judge Barton. Motion passed.
11. Motion by Squire Kring, seconded by Squire Robinson, for authorization to bid related snow equipment for the new dump truck. Voting in favor of the motion were Squires Robinson, Kring, Dawson, Fannin, Wells, Moore and Judge Barton. Motion passed.

12. Motion by Squire Robinson, seconded by Squire Dawson, for authorization to approve a budget amendment for the Sheriff's Office. Voting in favor of the motion were Squires Robinson, Kring, Dawson, Fannin, Wells, Moore and Judge Barton. Motion passed.
13. Motion by Squire Fannin, seconded by Squire Wells, for authorization to pay the bills with the exception of the BFI bill and the KY. League of Cities bill. Voting in favor of the motion were Squires Robinson, Kring, Dawson, Fannin, Wells, Moore and Judge Barton. Motion passed.
14. Motion by Squire Dawson, seconded by Squire Kring, for authorization to go into closed executive session to discuss property and litigation (KRS 61.810 (b) (f)). Voting in favor of the motion were Squires Robinson, Kring, Dawson, Fannin, Wells, Moore and Judge Barton. Motion passed.

Other Business:

15. Motion by Squire Moore, seconded by Squire Wells, for authorization to approve Resolution #4, 2004 approving monthly expenses for the Choateville Sewer Project. Voting in favor of the motion were Squires Robinson, Kring, Dawson, Fannin, Wells, Moore and Judge Barton. Motion passed.
16. Motion by Squire Wells, seconded by Squire Dawson, for authorization to approve the minutes. Voting in favor of the motion were Squires Robinson, Kring, Dawson, Fannin, Wells, Moore and Judge Barton. Motion passed.
17. Motion by Squire Wells, seconded by Squire Fannin, for authorization to adjourn. Voting in favor of the motion were Squires Robinson, Kring, Dawson, Fannin, Wells, Moore and Judge Barton. Motion passed.

There being no further business, the meeting adjourned at 10:07 a.m.

S/Teresa A. Barton, County Judge/Executive  
S/Berry Hammermeister, Fiscal Court Clerk

Certified this 23 day of June, 2017.

  
Shirley Brown, Fiscal Court Clerk

Corrected  
Res # 18-2017

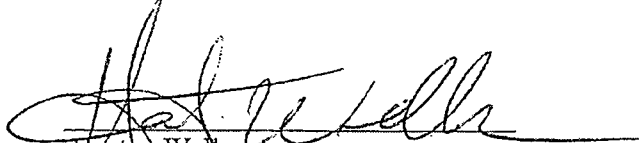
RESOLUTION NO. 18 - 2017

**RESOLUTION AUTHORIZING THE COUNTY JUDGE/EXECUTIVE  
TO EXECUTE A PROMISSORY NOTE  
WITH THE FARMDALE SANITATION DISTRICT  
FOR REPAYMENT TO THE COUNTY OF LOAN**

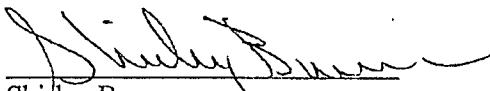
**BE IT RESOLVED BY THE FRANKLIN COUNTY FISCAL COURT**, that the County Judge/Executive is hereby authorized to execute a Promissory Note with the Farmdale Sanitation District, a Special District created pursuant to KRS Chapter 67, by virtue of Franklin County Fiscal Court Ordinance 04-2004 Series, for repayment of a loan in the amount of \$30,000 (thirty thousand dollars) made by the Franklin County Fiscal Court to the Farmdale Sanitation District.

A copy of the Promissory Note is attached hereto and made a part of this Resolution.

RESOLVED this 2 day of June, 2017.

  
Huston Wells  
Franklin County Judge/Executive

ATTEST:

  
Shirley Brown  
Fiscal Court Clerk

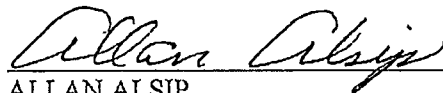
PROMISSORY NOTE

FOR VALUE RECEIVED in consideration of a loan of Thirty Thousand Dollars (\$30,000.00) to FARMDALE SANITATION DISTRICT, c/o 321 West Main Street, Frankfort, KY 40601, a Special District created pursuant to KRS Chapter 67, by virtue of Franklin County Fiscal Court Ordinance 04-2004 Series, FARMDALE SANITATION DISTRICT hereby promises and agrees to repay to the order of FRANKLIN COUNTY FISCAL COURT, a political subdivision of the Commonwealth of Kentucky, 321 West Main Street, Frankfort, Kentucky 40601, the principal sum of Thirty Thousand (\$30,000.00 ), WITHOUT INTEREST.

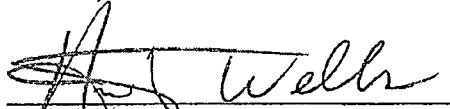
This sum shall be repaid in full, and no later than June 30, 2022, on or before said date all remaining unpaid principal on this note shall be due. There shall be no penalty for prepayment of this note. ALL payments shall be delivered to the Office of the Treasurer, Franklin County Fiscal Court, Frankfort, KY 40601.

The drawers and endorsers severally waive presentment for payment, protest and notice of protest, and notice of nonpayment of this note.

DATED: this 2 day of June 2017.



ALLAN ALSIP  
CHAIR, FARMDALE SANITATION DISTRICT



HUSTON WELLS  
FRANKLIN COUNTY JUDGE/EXECUTIVE



# Franklin County Fiscal Court

321 West Main Street  
Frankfort, KY 40601

**Huston Wells**

*Franklin County Judge/Executive*

**Jennifer Wilson**

*Deputy County Judge/Executive*

## CERTIFIED EXTRACT OF MINUTES

I, Shirley Brown, Clerk of the Fiscal Court of Franklin County, Kentucky do hereby certify and declare that the following is an accurate account of a portion of the minutes of the Franklin County Fiscal Court at a meeting held Friday, June 2, 2017, and of record in Fiscal Court Order Book 28, Page 23:

Motion by Squire Turner, seconded by Squire Booth, for authorization to approve Resolution #18-2017, authorizing the County Judge/Executive to Execute a Promissory Note with the Farmdale Sanitation District for Repayment to the County of Loan. Voting in favor of the motion were Squires Turner, Goins, Sturgeon, Tracy, Booth, Moore and Judge Wells. Motion passed.

So certified this 30th day of June, 2017.

A handwritten signature in cursive script, appearing to read "Shirley Brown", written over a horizontal line.

Shirley Brown  
Fiscal Court Clerk  
Franklin County, Kentucky



**FRANKFORT**  
KENTUCKY DISTILLED

REQUEST NO. 2

**REQUEST NO. 2:** Refer to the Agreement between Farmdale Development and Farmdale Sanitation dated May 5, 2017.

a. Fully describe the process through which Farmdale Development authorized the filing of a request for a transfer. Supply all related business records that document the authorization.

b. Carroll P. Cogan's Attorney-in-Fact, Christopher Cogan, executed the Agreement on behalf of Farmdale Development. Provide documentation that Christopher Cogan had the authority to execute the agreement on behalf of Carroll P. Cogan.

**RESPONSE:**

a. At a special meeting of the Board of Directors of Farmdale Development Corporation held in February, 2017, the full membership of the Board of Directors of said company voted unanimously to approve a resolution authorizing Christopher G. Cogan, as Attorney-in-Fact for Carroll F. Cogan, to enter into and execute any and all documents necessary to consummate the sale of the assets of Farmdale Development Corporation to the Farmdale Sanitation District, including but not limited to the Assets Purchase Agreement, any deed(s) and the application and other documents to be filed with the Kentucky Public Service Commission. A copy of the minutes of the special meeting of the Board of Directors of Farmdale Development Corporation, held in February, 2017, was filed with the Joint Application as a part of Exhibit D.

b. Please see attached a copy of the Durable Power of Attorney authorizing Christopher G. Cogan to act on behalf of Carroll F. Cogan. Furthermore, the minutes of the special meeting of the Board of Directions of Farmdale Development Corporation held in February, 2017, reflect that Christopher G. Cogan, as Attorney-in-Fact for Carroll F. Cogan, was

Witness: Christopher G. Cogan

authorized to enter into the agreement between Farmdale Development and Farmdale Sanitation District.





**Bobbie Holsclaw**  
Jefferson County Clerk's Office

As evidenced by the instrument number shown below, this document  
has been recorded as a permanent record in the archives of the  
Jefferson County Clerk's Office.



**INST # 2016030968**

**BATCH # 11665**

**JEFFERSON CO, KY FEE \$17.00**

PRESENTED ON: 02-10-2016 6 01:54:26 PM

LODGED BY: KENDALL COGAN

RECORDED: 02-10-2016 01:54:26 PM

BOBBIE HOLSCRAW

CLERK

BY: TERESA HIGGS

RECORDING CLERK

**BK: D 10554**

**PG: 847-849**

CHRISTOPHER G. COGAN

1526 HARBOR DRIVE

SARASOTA, FL 34239

RECORDED IN OFFICIAL RECORDS  
INSTRUMENT # 2016012046 2 PG(S)  
February 02, 2016 11:14:09 AM  
KAREN E. RUSHING  
CLERK OF THE CIRCUIT COURT  
SARASOTA COUNTY, FL

**DURABLE POWER OF ATTORNEY**



KNOW ALL MEN BY THESE PRESENTS:

Carroll F. and Doris M. Cogan, hereinafter referred to as PRINCIPALS, currently residing at 3001 Hayfield Drive, Louisville, 40205, Jefferson County, Kentucky, being of sound mind, do hereby appoint their son Christopher G. Cogan as their true and lawful attorney-in-fact for the specific purpose outlined below.

In the principal's name(s) personally, and for the principal's use and benefit and in the name of entities owned and controlled by principals including, but not limited to, the following:

- a.) Farmdale Development Corporation
- b.) Farmdale Utilities, Inc.
- c.) Bullitt Utilities, Inc.
- d.) CFA Sunnyview, Inc.

Said attorney-in-fact is authorized hereby to: conduct any and all business with the principal's banks, lenders, insurance providers, vendors, legal and accounting professionals, service providers, government agencies and municipalities as needed to conduct day-to-day business activities and/or to negotiate any business transaction including, but not limited to, the sale of individual business and real estate assets and or business entities including signing banking instruments and contractual documents.

Said attorney-in-fact shall not be liable for any loss that results from a judgment error that was made in good faith. However, said attorney shall be liable for willful misconduct or the failure to act in good faith while acting under the authority of this Power of Attorney.

Principals authorize said attorney to indemnify and hold harmless any third party who accepts and acts under this document.

This powers granted herein shall be durable and shall remain in full force and effect in the event either party shall become mentally incompetent or disabled and/or unable for any reason to manage their own affairs.

Giving and granting to said attorney full power and authority to do all and every act and thing whatsoever requisite and necessary to be done relative to any of the foregoing as fully to all intents and purposes as principal might or could do if personally present.

Balance of this page intentionally left blank. Signatures found on following page.

All that said attorney shall lawfully do or cause to be done under the authority of this power of attorney is expressly approved.

BY: Carroll F. Cogan

*[Handwritten signature of Carroll F. Cogan]*

BY: Doris M. Cogan

*[Handwritten signature of Doris M. Cogan]*

WITNESS SIGNATURE: *[Handwritten signature]*

WITNESS' PRINTED NAME: Kenneth Cogan

WITNESS' SIGNATURE: *[Handwritten signature]*

WITNESS' PRINTED NAME: Josaine Colby

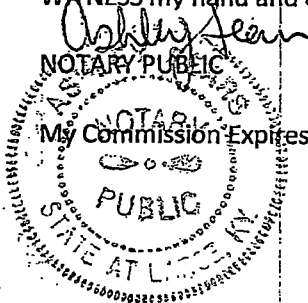
Dated: May 14, 2014, at Louisville, Ky

By: Ashley Sears

STATE OF Kentucky COUNTY OF Jefferson

BEFORE ME, the undersigned authority, on this 14th day of May, 2014, personally appeared \_\_\_\_\_ to me well known to be the person described in and who signed the foregoing, and acknowledged to me that he executed the same freely and voluntarily for the uses and purposes therein expressed.

WITNESS my hand and official seal the date aforesaid.



\*STATE OF FLORIDA, COUNTY OF SARASOTA  
I hereby certify that the foregoing is a true and correct copy of pages 1 through 2 of the instrument filed in this office. The original instrument filed contains 2 pages.

This copy has no redactions.  This copy has been redacted pursuant to law.  
Witness my hand and official seal this 2 day of Feb, 2016.

KAREN E. RUSHING, CLERK OF THE CIRCUIT COURT

By: *[Handwritten signature]*



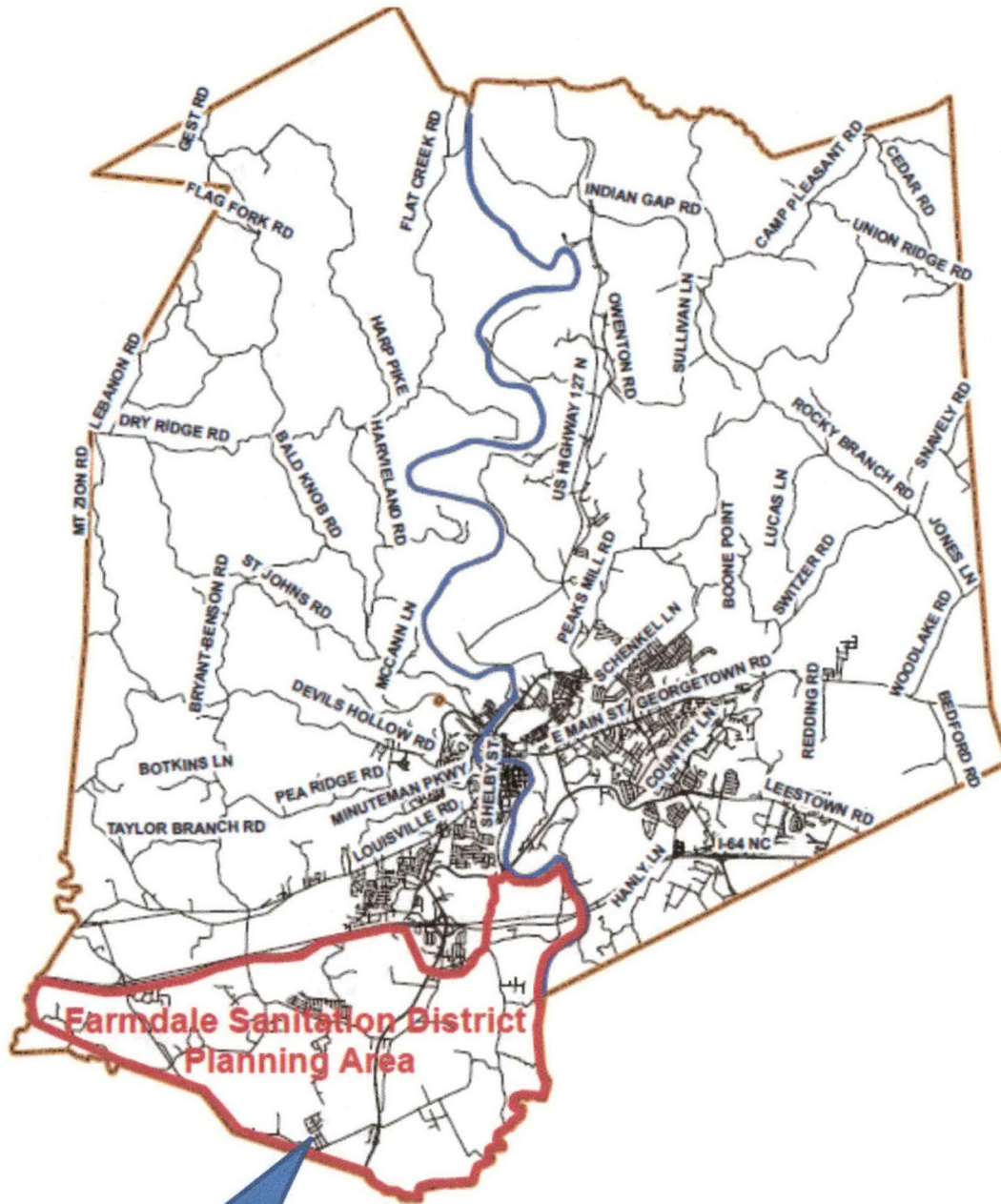
REQUEST NO. 3

**REQUEST NO. 3:** State whether the Farmdale Development system is located within the boundaries of Farmdale Sanitation.

**RESPONSE:**

As reflected by the attached map, the Farmdale Development wastewater treatment plant ("Farmdale WWTP") and collection system is located within the boundaries of Farmdale Sanitation.

# Franklin County, KY



Farmdale  
Development  
Corporation system

REQUEST NO. 4

**REQUEST NO. 4:** For Farmdale Sanitation, describe the following:

- a. Describe Farmdale Sanitation's technical ability and resources to manage and operate the Farmdale Development system, including, but not limited to, its employment of or contractual arrangement for a qualified and certified operator for the system.
- b. Describe Farmdale Sanitation's financial ability and resources to manage and operate the Farmdale Development system, including, but not limited to, available funds, lines of credit, loans, grants, or other financial support.
- c. Describe Farmdale Sanitation's management ability and resources to manage and operate the Farmdale Development system.

**RESPONSE:**

a. 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 Farmdale WWTP 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 Farmdale Development, 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

Witness: Robert Hewitt, Director, Franklin County Planning, Zoning & Building Codes



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. Farmdale Sanitation has the financial ability and resources to manage and operate the Farmdale WWTP and collection system. As of June 22, 2017, Farmdale's checking accounts have a balance of \$88,449.39. Furthermore, Farmdale Sanitation is to receive a grant in the amount of \$300,000 from KIA for use in repairing WWTPs. Farmdale owns eight (8) acres of land purchased with USEPA grant funds for the location of a new sewage treatment facility, and has been awarded approximately \$873,000 in USEPA grant funds, which may be used for both the construction and planning and design of a new sewage treatment facility and/or collection system. The Franklin County Fiscal Court has loaned the amount of \$30,000 to Farmdale Sanitation to pay current operating expenses. Farmdale Sanitation has entered into a billing contract with the Farmdale Water District so that it can efficiently and effectively collect its monthly fee for providing wastewater treatment and collection services to its customers.

c. Farmdale Sanitation is governed by a 3-member board. As indicated above, the 3-member board has entered into contracts with Professional Wastewater Services, LLC, HMB, Pace Analytical and the Farmdale Water District to maintain and operate the Farmdale WWTP and collection system. Farmdale Sanitation has established that it has the management ability and resources to manage the Farmdale WWTP and collection system by employing trained

Witness: Robert Hewitt, Director, Franklin County Planning, Zoning & Building Codes

professionals to operate and maintain the Farmdale WWTP and collection system and by entering into the billing contract with Farmdale Water District to ensure that it receives the funds necessary to properly operate and maintain the system.

# **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 retail 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>MFA</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 capitol 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 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 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. Pease  
\_\_\_\_\_

OWNER

BY: Allen J. Alsop 4/27/2017

(NAME)

(DATE)

ITS: Chairman, Farmdale Sanitation Dist.

(TITLE)

WITNESSES:

Joy C. Pease  
\_\_\_\_\_

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,

etc. Any tasks performed would not apply to any projects for which a separate lump sum fee and/or Agreement is negotiated for engineering services. Rather, this AGREEMENT would apply to engineering work performed outside the scope of work described in any other executed Agreement for Engineering Services. No work shall be performed without the authorization of the OWNER.

### **III. ENGINEERING FEES**

For and in consideration of the satisfactory completion of the services defined, the OWNER shall compensate the ENGINEER as follows:

A.      Miscellaneous Tasks    Hourly Rates per Attachment A

Payment shall be made monthly.

### **IV. PAYMENT OF ENGINEERING FEES**

The OWNER agrees to process the Invoices issued by the ENGINEER in a timely manner; however, in no instance shall payment be delayed beyond 30 days from the date of issuance of the Invoice, without cause. Payments not made by the OWNER within the 30 day period shall bear interest beginning on the 31st day at the rate of 1% per month on the unpaid balance, unless cause is established as mentioned above. It is understood and agreed that the OWNER shall seek reimbursement for costs under this AGREEMENT from other parties where applicable, but shall not delay payment to the ENGINEER while such reimbursement is sought. The ENGINEER is not responsible for collection of said reimbursement on behalf of the OWNER.

**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**

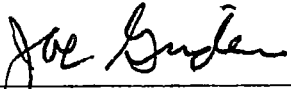
This AGREEMENT shall be governed by the laws of the Commonwealth of Kentucky. This AGREEMENT is entered into at Frankfort, Kentucky and all jurisdictional matters will be decided in Franklin County, Kentucky.

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

23 day of June, 2016.

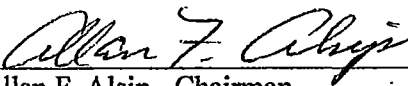
ENGINEER:

HMB PROFESSIONAL ENGINEERS, INC.

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

OWNER:

FARMDALE SANITATION DISTRICT

  
\_\_\_\_\_  
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 Farmdale 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: Allan F. Alcip  
Name: Allan Alcip  
Title: Chairman  
Date: 6/8/2019

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

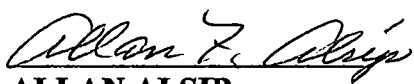
**NOW THEREFORE**, in consideration of the mutual promises contained herein, it is hereby agreed between the parties as follows:

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. 5



**REQUEST NO. 5:** Reference the Joint Applicants' Notice of Filing of Operation and Maintenance Agreement filed with the Commission on June 9, 2017.

a. What certifications and licenses are required by the state of Kentucky to operate and maintain a Wastewater Treatment Plant ("WWTP") and collection system such as Farmdale Development?

b. State whether Professional Wastewater Services, LLC has all of the required certifications and licenses required by the state of Kentucky to operate and maintain a WWTP and collection system such as Farmdale Development, and provide a copy of each document.

**RESPONSE:**

a. The operator of the Farmdale WWTP and collection system is required to have a Wastewater Operator Certification, Class II. Kenneth D. Hogsten, Jr., the principal of Professional Wastewater Services, LLC, is certified as a Wastewater Treatment Plant Operator Class IV, which is a higher classification than that required for the operation of the Farmdale WWTP and collection system.

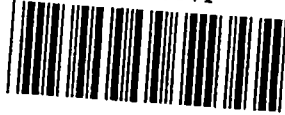
b. Mr. Hogsten, the principal of Professional Wastewater Services, LLC, has all of the licenses required by the Commonwealth of Kentucky to operate the Farmdale WWTP and collection system and a copy of his licenses are attached.

Agency Interest # 84369

ENERGY AND ENVIRONMENT CABINET  
Certifies that  
Kenneth D Hogsten Jr.  
IS A DULY LICENSED OPERATOR BY THE  
COMMONWEALTH OF KENTUCKY  
WW Collection IV 19971

Expiration Date:

06/30  
2019

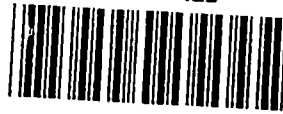


Agency Interest # 84369

ENERGY AND ENVIRONMENT CABINET  
Certifies that  
Kenneth D Hogsten Jr.  
IS A DULY LICENSED OPERATOR BY THE  
COMMONWEALTH OF KENTUCKY  
WW Treatment IV 19422

Expiration Date:

06/30  
2019



REQUEST NO. 6

**REQUEST NO. 6:** *The Annual Report of Farmdale Development to the Public Service Commission for the Year Ended December 31, 2015* ("2015 Annual Report") at page 13 of 44 does not contain the end-of-year balance amount for customer deposits.

- a. Confirm that Farmdale Development is not holding any customer deposits.
- b. If Farmdale Development holds any customer deposits, state the monetary amount that is being held, and whether Farmdale Development will return the deposits that it holds, transfer the deposited funds to Farmdale Sanitation, or apply or transfer the funds to another use. If the deposits will be applied for another use, then identify the other use.

**RESPONSE:**

- a. Farmdale Development does not hold any customer deposits.
- b. Farmdale Development does not hold any customer deposits.

REQUEST NO. 7

**REQUEST NO. 7:** Refer to the Application, page 3, Item 4, which states: "Farmdale Sanitation will have the obligation to provide sanitary sewer services to its customers after the closing."

- a. State the number of customers currently served by Farmdale Sanitation, and state the rates that Farmdale Sanitation charges its customers. Provide a copy of a rate schedule.
- b. State the number of customers currently served by Farmdale Development, and the current rate that is charged.
- c. State the rates that will be charged to all current Farmdale Development customers upon completion of the transfer to Farmdale Sanitation.
- d. State how the Joint Applicants will provide notice of the transfer to the customers served by the Farmdale Development system.

**RESPONSE:**

- a. Farmdale Sanitation currently serves approximately 40 customers and each customer is charged a flat monthly rate of \$40.19. Farmdale Sanitation has not yet issued a formal rate schedule.
- b. As stated in paragraph 3 of the Joint Application, Farmdale Development currently serves approximately 246 single family residents and no multi-family residents. As is reflected in its tariff filed with the Public Service Commission, the current monthly rate charged by Farmdale Development is \$40.19 per month.
- c. \$40.19 per month.
- d. Farmdale Sanitation will publish notice of the transfer in the newspaper.

REQUEST NO. 8

**REQUEST NO. 8:** Refer to the Application, Exhibit A, Assets Purchase Agreement.

- a. State whether Farmdale Sanitation intends to continue to operate the Farmdale Development WWTP upon successful transfer of the assets.
- b. If the response to Item 8.a. is no, state the manner in which Farmdale Sanitation intends to treat the effluent created by the Farmdale Development system.
- c. If Farmdale Sanitation does not intend to continue to operate the WWTP, describe the process for decommissioning the WWTP, and provide a time estimate for when this work will be completed.

**RESPONSE:**

- a. Farmdale Sanitation intends to operate the Farmdale WWTP and collection system upon transfer of the assets. However, Farmdale Sanitation has been awarded a grant by the USEPA, which grant funds are to be used for the design and construction of a new sewage treatment facility in its jurisdiction. As is reflected in Paragraph 6a of the Joint Application, Farmdale Sanitation has previously purchased 8 acres of land with funds provided by the USEPA grant for the location of this new sewage treatment facility. The construction of the new sewage treatment facility is anticipated to be completed within the next five (5) years. Upon the completion of the construction of the new sewage treatment facility and connection to the Farmdale collection system, the Farmdale WWTP will be decommissioned.
- b. See answer to 8a.
- c. See answer to 8a.



REQUEST NO. 9

**REQUEST NO. 9:** Does Farmdale Development have any current notice of violations issued by the Energy and Environment Cabinet ("EEC") or the Kentucky Division of Water ("DOW")? If so, provide copies of each outstanding violation and explain how the violations will be resolved.

**RESPONSE:**

No notices of violation have been issued to Farmdale Development by the EEC or the DOW in 2017.

Witness: Christopher G. Cogan

REQUEST NO. 10

**REQUEST NO. 10:** Provide documentation of any communications between the Joint Applicants and the EEC or DOW regarding the Joint Application.

**RESPONSE:**

A meeting between representatives of the Kentucky Division of Water and Farmdale Sanitation was held on May 2, 2017. This meeting included discussions concerning Farmdale Sanitation's purchase of the WWTPs and collection systems owned by Ridgelea Investments, Inc., Evergreen Sewage Disposal, Inc., Farmdale Development Corporation and Coolbrook Utilities, LLC.

EC74:46595:28223:1:FRANKFORT

Witness: Robert Hewitt, Director, Franklin County Planning, Zoning & Building Codes

Farmdale Sanitation Dist.

Name

APPLICATOR

Phone

Philip Keizer

KY-DENF

502-782-6862

Jerry Becker

KY DOW

502 782 6887

DEWIS King

Farmdale Sanitation

502-863-1671

Allen Alsip

" "

502-330-0077

Kenny Hogsten

Professional Waste Services

502-370-7652

Boy Peach

Farmdale Sanitation

502-727-4811

DAVID CLEMMES

KY-OGC

502-732-6921

Jeffrey Cummins

KY-DENF

502-782-6248

Robert Heintz

5-2-17 Meeting w/ DOW (Review of Agreed Order - Richardson)

David Cleveland - Office of General Counsel

502-782-6921



**Jeffrey A. Cummins**  
Director

**DEPARTMENT FOR ENVIRONMENTAL PROTECTION**

**Division of Enforcement**  
300 Sower Boulevard, 3rd Floor  
Frankfort, Kentucky 40601  
Environmental Emergency 24-hour (502) 564-2380 or (800) 928-2380

Phone: (502) 782-6848  
Fax: (502) 564-4245  
Cell: (502) 229-3586  
Jeff.Cummins@ky.gov



**Philip E. Kejzlar**  
Environmental Scientist

**DEPARTMENT FOR ENVIRONMENTAL PROTECTION**

**Division of Enforcement**  
**Civil Enforcement Branch**  
300 Sower Boulevard, 3rd Floor  
Frankfort, Kentucky 40601  
Environmental Emergency 24-hour (502) 564-2380 or (800) 928-2380

Phone: (502) 782-6862  
Fax: (502) 564-4245  
philip.kejzlar@ky.gov

VERIFICATION

COMMONWEALTH OF KENTUCKY )  
 ) SS:  
COUNTY OF FRANKLIN )

The undersigned, Robert Hewitt, being duly sworn, deposes and says that he is the Director of the Franklin County Planning, Zoning & Building Codes, Frankfort, Kentucky, that he has personal knowledge of the matters set forth in the foregoing responses and exhibits, and that the answers contained therein are true and correct to the best of his information, knowledge and belief.

  
\_\_\_\_\_  
ROBERT HEWITT

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 5<sup>th</sup> day of July, 2017.

My Commission Expires: 12/1/18

  
\_\_\_\_\_  
NOTARY PUBLIC





**VERIFICATION**

STATE OF FLORIDA                    )  
  )  
COUNTY OF \_\_\_\_\_ )        SS:

The undersigned, Christopher G. Cogan, being duly sworn, deposes and says that he has personal knowledge of the matters set forth in the foregoing responses and exhibits, and that the answers contained therein are true and correct to the best of his information, knowledge and belief.

\_\_\_\_\_  
CHRISTOPHER G. COGAN

Subscribed and sworn to before me, a Notary Public in and before said County and State,  
this \_\_\_\_\_ day of July, 2017.

My Commission Expires: \_\_\_\_\_

\_\_\_\_\_  
NOTARY PUBLIC

SEAL