



Steven L. Beshear  
Governor

Leonard K. Peters  
Secretary  
Energy and Environment Cabinet

Commonwealth of Kentucky  
**Public Service Commission**  
211 Sower Blvd.  
P.O. Box 615  
Frankfort, Kentucky 40602-0615  
Telephone: (502) 564-3940  
Fax: (502) 564-3460  
psc.ky.gov

David L. Armstrong  
Chairman

James W. Gardner  
Vice Chairman

Linda K. Breathitt  
Commissioner

January 2, 2013

Ms. Chastity Robbins  
West Carroll Water District  
Post Office Box 45  
Carrollton, Kentucky 41008

Re: Case No. 2012-00386  
West Carroll Water District

Dear Ms. Robbins:

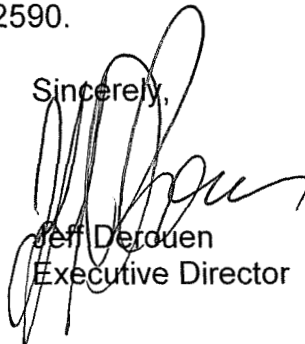
The Public Service Commission acknowledges receipt of your letter of November 20, 2012.

Enclosed is the original copy of the Interlocal Agreement between the City of Carrollton, Kentucky and West Carroll Water District. As the Public Service Commission acts and speaks only through its Orders, no official of the Public Service Commission has signed this document. The Public Service Commission's Order of November 16, 2012 in which the Public Service Commission authorized West Carroll Water District's entry into the Interlocal Agreement constitutes proof of the Commission's approval of the Agreement. A copy of this Order should be kept with the Interlocal Agreement.

Your letter and a copy of the executed Interlocal Agreement will be placed into the Commission's files.

Any questions regarding this letter should be directed to Gerald Wuetcher, Executive Advisor/Attorney, at (502) 782-2590.

Sincerely,



Jeff Derouen  
Executive Director

gw  
Enclosure

WEST CARROLL WATER DISTRICT  
P O BOX 45  
CARROLLTON, KY 41008  
(502) 732-7055

RECEIVED

NOV 26 2012

PUBLIC SERVICE  
COMMISSION

November 20, 2012

Jeff Derouen  
Executive Director  
Public Service Commission  
P. O. Box 615  
Frankfort, KY 40602-0615

Re: Case 2012-00386

Mr. Derouen,

Attached you will find the original copy of the Interlocal Agreement between the City of Carrollton, Kentucky and the West Carroll Water District. As you will see the Attorney General has already approved and signed this document and it now awaits your signature as ordered in the document the District received November 19, 2012 from the PSC. Please let me know if you need any further information or assistance.

Thank you,



Chastity Robbins  
Director of Finance

RECEIVED AND FILED  
DATE 10/5/12

CARROLL COUNTY  
MS2 PG418

**INTERGOVERNMENTAL AGREEMENT BETWEEN**  
**ALISON LUNDERGAN GRIMES** **THE CITY OF CARROLLTON, KENTUCKY,**  
**SECRETARY OF STATE** **A CITY OF THE FOURTH CLASS,**  
**COMMONWEALTH OF KENTUCKY** **AND THE WEST CARROLL WATER DISTRICT**  
BY 

**WHEREAS**, the City of Carrollton, Kentucky, by and through Carrollton Utilities (“CU”), is a public utility that provides water to customers in Carroll County, Kentucky; and,

**WHEREAS**, the West Carroll Water District (“WCWD”) is organized under the provisions of KRS Chapter 74, as a provider of water to customers within its service territory in both Carroll and Trimble Counties, and purchases water and services through CU for that purpose; and,

**WHEREAS**, for the benefit of customers served by the City of Carrollton and West Carroll Water District improvements to their respective water systems are warranted; and,

**WHEREAS**, the City of Carrollton, Kentucky, and WCWD are submitting a regional project for the improvement of their respective water systems to the Kentucky Infrastructure Authority (KIA) (hereinafter “project”) that is eligible for the most favorable KIA terms;

**NOW THEREFORE**, it is hereby agreed between the City of Carrollton, Kentucky, hereinafter referred to as "City", and the WCWD as follows:

1. The City and WCWD shall proceed to apply for the regional project with funding through KIA, and shall cooperate to provide all information required for said application;
2. The construction of the project shall likely be divided into multiple contracts with the City and the WCWD each determining the nature and scope of the project as it affects their respective water system operations. Engineering for the project shall be handled by one

engineering firm to be selected jointly by the City and the WCWD.

3. To finance the project, the City shall be responsible to apply for and receive the KIA funding on a thirty (30) year amortization at the rate of 1% interest with at least a thirty percent (30%) principal forgiveness in an amount estimated at \$1,850,270.00. Funding obtained by the City shall be utilized to fund the project, with the funding being allocated between multiple construction contracts in accordance with actual expenses incurred for construction on each contract pro rata, with a similar percentage assigned to each entity for the cost of engineering services which cost is also to be divided between them pro rata. The WCWD pro rata share is estimated to be \$868,097.25 and shall not be exceeded without approval of the WCWD. If bids for the project result in a pro rata share for WCWD in excess of \$868,097.25, WCWD may reduce the scope of project to achieve a pro rata share that is acceptable to the WCWD. Likewise, CU may reduce the scope of the project to achieve a pro rata share that is acceptable to CU. Nothing shall restrict CU or WCWD from utilizing other funding sources to meet shortfall in KIA funding or to reduce the KIA pro rata share.

4. WCWD will pay to the City a semi-annual payment for a period equal to the years of the debt incurred by the City to cover its proportionate share of the final debt service for its portion of the project with said payments to begin on the same year as the City is required to begin paying the debt following construction of the project.

5. WCWD will retain sole authority to identify the nature and scope of its portion of the project, and shall be allowed to reject any contract proposals, and/or resubmit the project for bid and/or restructure the project as it sees fit.

6. The City will retain sole authority to identify the nature and scope of its portion of the project, and shall be allowed to reject any contract proposals, and/or resubmit the

portion of the project, and shall be allowed to reject any contract proposals, and/or resubmit the project for bid and/or restructure the project as it sees fit.

7. Both parties acknowledge that in the event either party withdraws from the project, then it understands that KIA may withdraw its funding of the project;

8. This Intergovernmental Agreement is subject to the review and approval of the Kentucky Public Service Commission, and its approval of the project, WCWD's application for indebtedness and for a proposed rate increase necessary to pay WCWD's proportionate share of the debt service obligated by the City, and a certificate of convenience and necessity to go forward with the project..

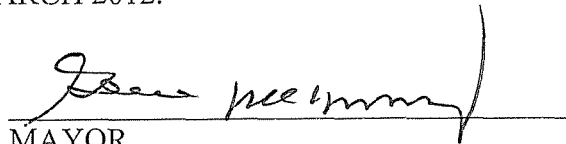
9. The City and WCWD agree to sign such documents as may be required to effectuate the terms and conditions of this Agreement.

10. In the event that funding from KIA is not received on the rates and terms set forth herein, then this Agreement will be rendered null and void.

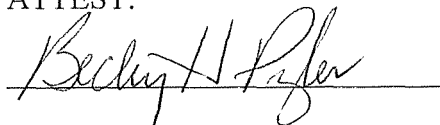
11. The parties hereto will not own any property jointly and no provision need be made for disposition of property upon termination hereof.

12. The term of this agreement is thirty years or until the indebtedness to the Kentucky Infrastructure Authority is paid in full, whichever is sooner.

DONE THIS THE 26<sup>th</sup> DAY OF MARCH 2012.

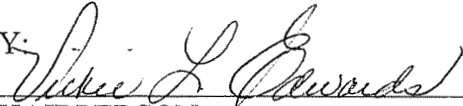
  
MAYOR  
CITY OF CARROLLTON, KENTUCKY

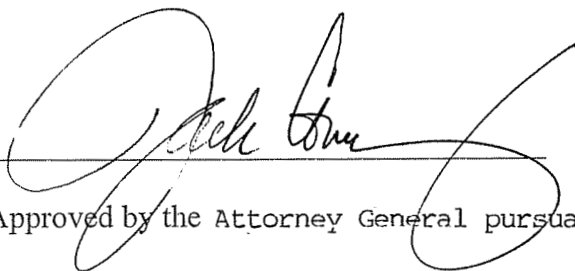
ATTEST:



BECKY H. PYLES, CITY CLERK-TREASURER

WEST CARROLL WATER DISTRICT

BY:   
CHAIRPERSON



Approved by the Attorney General pursuant to KRS65.260(2)

Date: September 25, 2012

Approved by the Kentucky Public Service Commission

By: \_\_\_\_\_

Date: \_\_\_\_\_

REGULAR MEETING OF THE BOARD

A regular meeting of the Commissioner of the West Carroll Water District, was held on Thursday, March 15, 2012, at 6:00 p.m., at the Carrollton Utilities office, 225 Sixth Street, Carrollton, Kentucky. Commissioners present included:

Vickie Edwards, David Pirtle,  
Karen Lovins, and James Lucas

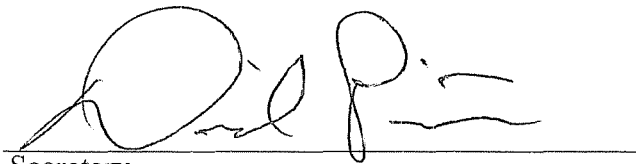
constituting a quorum.

Upon Motion duly made and carried, following discussion among the Board members, the following resolutions were adopted unanimously:


RESOLVED, that the West Carroll Water District ("District") sign the Interlocal Agreement ("Agreement") with the City of Carrollton, Kentucky, with the terms contained therein, as reviewed by the District and to submit the signed Agreement to the Kentucky Public Service Commission ("PSC") with all necessary documentation on behalf of the District, for approval; and,

RESOLVED FURTHER, that Chairperson, Vickie Edwards, is hereby authorized to execute and deliver the Interlocal Agreement, on behalf of the District, and such documents as may be required by the PSC for its approval of said Agreement.

There being no further business, the meeting was adjourned.

  
Secretary

ATTEST:

  
Vickie Edwards, President

RESOLUTION #R-2011-19

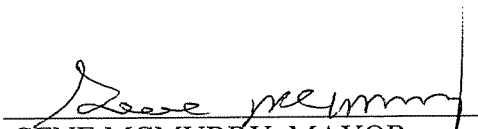
RESOLUTION OF THE CITY OF  
CARROLLTON, KENTUCKY

WHEREAS, the City of Carrollton and the West Carroll Water District, a water district organized under KRS Chapter 74, are entering into an agreement whereby the parties would share proceeds of a loan provided by the Kentucky Infrastructure Authority in order to upgrade the facilities for both parties, and

WHEREAS, the City Council of the City of Carrollton declares that it is in the best interest of the citizens of the City of Carrollton to enter into this Interlocal Cooperation Agreement.

NOW THEREFORE BE IT RESOLVED by the City Council of the City of Carrollton that the Interlocal Cooperation Agreement with West Carroll Water District attached hereto and incorporated by reference herein, is hereby approved. The Mayor is hereby authorized to execute any and all documentation in furtherance of said agreement including the Interlocal Cooperation Agreement and any other document required to complete this transaction.

After a reading in full on the 26<sup>th</sup> day of September, 2011, and on motion by MR. RAKER, seconded by MR. GORDON, the resolution was adopted by a vote of 6 ayes and 0 nays.

  
GENE MCMURRY, MAYOR

ATTEST:

  
BECKY PYLES, CITY CLERK-TREASURER

DOCUMENT NO: 83584  
RECORDED ON: October 19, 2012 03:37:00PM  
COUNTY CLERK: ALICE W. MARSH  
COUNTY: CARROLL COUNTY  
BOOK: MS 2 PAGE: 418 - 423 MISC

Signed: DMK