MCCREARY COUNTY WATER

DISTRICT

P.S.C. Ky. No. 1

McCREARY COUNTY WATER DISTRICT

OF

McCreary County, Kentucky

Rates, Rules and Regulations for Furnishing

Water Service

AT

McCreary County, Kentucky

Filed with the PUBLIC SERVICE COMMISSION OF KENTUCKY

ISSUED: June 29, 2004 EFFECTIVE: June 29, 2004

ISSUED BY McCreary County Water District
(Name of Utility)

BY Raymond Taylor
Chairman

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
6/29/2004
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By
Executive Director

Form for Filing Rate Schedules

For All Territory Served

P.S.C. NO. 3rd Revised Sheet 2

SHEET NO. 2A

CANCELLING P.S.C. NO. 2

SHEET NO.

McCreary County Water District

Name of Issuing Corporation

CLASSIFICATION OF SERVICE

MONTHLY WATER RATES:			RATE PER UNIT
RESIDENTIAL AND NONRESIDENTIAL			
First	2,000	Gallons	$14.95 Minimum Bill
All Over	2,000	Gallons	4.95 Per 1,000 Gallons
FEDERAL PRISON FACILITY			
First	1,950,000	Gallons	$9,657.55 Minimum Bill
All Over	1,950,000	Gallons	4.95 Per 1,000 Gallons
WATER CONNECTION FEE			
5/8" X 3/4" Meter			$350.00
All Larger Size Meters			Actual Cost

DATE OF ISSUE June 29, 2004

DATE EFFECTIVE June 29, 2004

ISSUED BY Raymond Taylor
Name of Officer

TITLE Chairman

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2004-00206 dated June 2

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
6/29/2004
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)
By
Executive Director

McCreary County Water District

For: All of McCreary County

P.S.C. Ky. No. 2

1st Revised Sheet No. 3

Cancelling P.S.C. Ky. No. 1

Original Sheet No. 3

RULES AND REGULATIONS

This schedule of Rules and Regulations governs the furnishing of water service by McCreary County Water District hereinafter referred to as the DISTRICT and applies to all service received from the DISTRICT. No employee or individual Commissioner of the DISTRICT is permitted to make an exception to Rates, Rules or Regulations. All Rules and Regulations are to be in effect so long as they are not in conflict with Public Service Commission Rules and Regulations. The DISTRICT is further subject to all Rules and Regulations of the Public Service Commission even though not contained herein.

1. Scope

This Schedule of Rules and Regulations is a part of all contracts for receiving water service from the DISTRICT, and applies to all service received from the DISTRICT whether the service is based upon contract, agreement, signed application, or otherwise. A copy of this schedule, together with a copy of the DISTRICT'S Schedule of Rates and Charges, shall be kept open to inspection at the office of the DISTRICT. The rules are promulgated under direction and authority granted pursuant to Chapter 13 of Kentucky Revised Statutes and Administrative Regulations 807 KAR 5 established via authority of Executive Order 81-126 dated March 4, 1981. The aforesaid rules and regulations are hereby adopted and included the same or herein written now or as may be legally changed from time to time.

2. Revisions

These Rules and Regulations may be revised, amended, supplemented, or otherwise changed from time to time by either of the two (2) following methods:

Date of Issue: September 10, 1987 Date Effective: September 10, 1987

ISSUED BY: McCreary County Water District, P.O. Box 488, Whitley City, Kentucky 42653

R.D. Bryant, Chairman

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

APR 01 1987

PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)

BY: George Fulkerson
PUBLIC SERVICE COMMISSION MANAGER

McCreary County Water District

For: All of McCreary County

P.S.C. Ky. No. 2

Original Sheet No. 4

Cancelling P.S.C. Ky. No.

Sheet No.

RULES AND REGULATIONS

A. By order of the Public Service Commission upon formal application by the DISTRICT, and after hearing as provided by commission regulation set forth in 807 KAR 5:011.

B. By issuing and filing on at least thirty (30) days notice to the commission and the public all proposed changes in the Rules and Regulations, as provided by commission regulations set forth in 807 KAR 5:011.

3. Conflict

In case of conflict between any provisions of any rate schedule and the schedule of Rules and Regulations, the rate schedule shall apply. Also, should the rules contained herein conflict with the present rules in effect under 807 KAR 5 as of this date, same shall take precedence over those contained herein.

4. Application for Service

Any person, firm, agency or governmental entity within the current boundary of the DISTRICT may request service. Said request must be in writing on a form approved by the DISTRICT.

No service for a request shall be granted unless the property of said requestor has public access within a reasonable distance from an existing distribution main of the DISTRICT consistant with the topography of the area. Should the requestor desire to have the existing distribution system extended to serve them, same shall be accomplished as stipulated, hereafter.

Date of Issue: September 10, 1987 Date Effective: October 1, 1987

ISSUED BY: McCreary County Water District, P.O. Box 488, Whitley City, Kentucky 42653

R.D. Bryant, Chairman

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE

APR 01 1987

PURSUANT TO 807 KAR 5:011, SECTION 9 (1)

BY: PUBLIC SERVICE COMMISSION MANAGER

RULES AND REGULATIONS

Should DISTRICT determine that service to requestor is available, each prospective customer desiring water service shall be required to execute and sign the DISTRICT'S standard application for water service before service is supplied by the DISTRICT. A 5/8" X 3/4" meter shall be "the standard customer service meter and should be installed at all points of service unless the customer provides sufficient justification for the installation of a larger meter."

The DISTRICT shall provide for a standard connection (i.e., 5/8" x 3/4" meter) from the DISTRICT'S existing distribution main. An estension of fifty (50) feet or less shall be made by the DISTRICT to its existing utility main without change for a prospective customer who applies for and contracts to use the service for one (1) year or more with the approperiate guarantee.

5. Non-Standard Service

Each prospective customer requiring a non-standard service (i.e., other than a 5/8" X 3/4" meter) shall present to the DISTRICT sufficient justification for same. Insofar as prospective customer requirement may meet those non-standard service presently in effect by DISTRICT same may be applied. An extension of fifty (50) feet or less shall be made by the DISTRICT to its existing utility main without change for a prospective customer who applies for and contracts to use the service for one (1) year or more with the approperiate guarantee.

Date of Issue: September 10, 1987 Date Effective: April 1, 1987

ISSUED BY: McCreary County Water District, P.O. Box 488, Whitley City, Kentucky 42653

R.D. Bryant, Chairman

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE

APR 01 1987

PURSUANT TO 807 KAR 5:011, SECTION 9 (1)

BY: PUBLIC SERVICE COMMISSION MANAGER

RULES AND REGULATIONS

In addition, the prospective customer shall pay the cost of any special installation necessary to meet his particular requirements, as a contribution in aid of construction.

6. Point of Delivery

The point of delivery is the point where the meter or vault is located on the customer's premises. All water lines, plumbing, and equipment beyond the meter shall be installed and maintained by the customer. The DISTRICT reserves the right to determine the location of point of delivery with full regard to those wishes of the prospective customer, however the DISTRICT will in no event set a neter at a point that does not deliver 30 psig at the meter.

7. Customer's Service Line

All service lines beyond the metering point should be installed of material consisting of copper, galvanized, PVC pipe, or PE pipe with rating of not less than 200 psi. The size of service line beyond the point of delivery should not be less than 3/4".

Should a prospective customer desire a higher pressure due to his location or need, he may make provision, at his expense, for an individual pressure booster system. The manner of connection, location cross-connection protection and type is subject to approval by DISTRICT. The DISTRICT reserves the right to require discontinuance and disconnection should the private booster system have a detrimental effect on DISTRICT'S system.

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PURSUANT TO 807 KAR 5:011, SECTION 9 (1)

BY: PUBLIC SERVICE COMMISSION MANAGER

RULES AND REGULATIONS

8. Ownership of Mains, Services & Appurtenances

All mains, fire hydrants, valves, crossings and other appurtenances are and shall remain the property of the DISTRICT, whether installed directly by them or received through actions of a customer or extendor.

All service lines from main to meter with appurtenances shall be and remain the property of DISTRICT, whether installed directly by them or received through actions of a customer or extendor.

The customer shall install, own and maintain his service line from meter and/or point of delivery as defined here before.

9. Discontinuance of Service by DISTRICT

Water service may be discontinued by the DISTRICT for any violation of any rule, regulation, or condition, and especially for any of the following reasons.

A. Misrepresentation in the application or contract as to the property or fixtures to be supplied or additional use to be made of water.

B. Failure to report to the DISTRICT additions to the property or fixtures to be supplied or additional use to be made of water.

C. Resale of water.

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BY: PUBLIC SERVICE COMMISSION MANAGER

RULES AND REGULATIONS

D. Waste or misuse of water due to improper or imperfect service pipes and/or failure to keep such pipes in a suitable state of repair.

E. Tampering with meter, meter seal, service, or valves, or permitting such tampering by others.

F. Connection, cross-connection, or permitting the same, of any separate water supply to premises which receive water from the DISTRICT.

G. Non-payment of bills.

H. When a dangerous condition is found to exist on the customer's or applicant's premises, with reference to the continuation of water service, water service shall be cut off without notice or shall be refused, provided the DISTRICT shall notify the customer or applicant immediately of the reasons for the discontinuance or refusal and the corrective action to be taken by the applicant or customer before service can be restored.

10. Billing

Bills and notices relating to the conduct of the business of the DISTRICT will be mailed to the customer at the address listed on the user's agreement unless a change of address has been filed in writing with the DISTRICT; and the DISTRICT shall not otherwise be responsible for delivery of any bill or notice nor will the customer be

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BY: PUBLIC SERVICE COMMISSION MANAGER

excused from the payment of any bill or any performance required in said notice.

Bills for water service are due and payable at the office of the DISTRICT, or to any designated agent, on the date of issue. The past due date shall be the 20th day after the date of issue. Bills will be dated and mailed on a schedule based on meter reading routes.

All bills not paid on or before the past due date shall be deemed delinquent. Any said delinquent bill will appear as added to next month's balance. Included on the bill will be a statement indicating that if the previous balance is not paid in full on or before the next past due date, it is the intent of the DISTRICT to discontinue service as of that date provided. However, if, prior to discontinuance of service, there is delivered to the DISTRICT or its employee empowered to discontinue service, a written certificate signed by a physician, a registered nurse, or a public health officer that, in the opinion of the certifier, discontinuance of service will aggravate an existing illness or infirmity of the affected premises, service shall not be discontinued until the affected resident can make other living arrangements or until ten (10) days elapse from the time of the DISTRICT'S receipt of said certification, whichever occurs first.

11. Discontinuance of Service by Customer

Any customer having fulfilled their contract terms and desiring to discontinue the water service to his premises

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BY: PUBLIC SERVICE COMMISSION MANAGER

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for any reason must give notice of discontinuance in writing at the business office of the DISTRICT at least three (3) days prior to the date on which the customer desires to discontinue service. If such notice in writing is not given, a customer shall remain liable for all water used and service rendered to such premises by the DISTRICT until such notice is received by the DISTRICT.

12. Reconnection Fee

Where the water supply to the customer has been discontinued for non-payment of delinquent bills, a charge of $30.00 will be made for reconnection of water service, but the reconnection fee will not be made until all delinquent bills and other charges, if any, owed by the customer to the DISTRICT have been paid.

13. Deposit

~~The DISTRICT reserves the right to require that a nominal amount be placed on deposit with the DISTRICT for the purpose of establishing or maintaining any customer's credit, such amount not to exceed two-twelfths (2/12) of the estimated annual bill of such customer or applicant. Upon the payment of such deposit, the DISTRICT shall issue to such customer a certificate of deposit, showing the name of the customer, the location of the initial premises occupied by the customer, and the date and amount of the deposit. The DISTRICT will pay to such customer interest on such deposit at the rate of six percent (6%) per annum, until such deposit is reimbursed to the customer.~~ C8-92

Date of Issue: September 10, 1987 Date Effective: April 17, 1987

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE

APR 01 1987

PURSUANT TO 807 KAR 5:011, SECTION 9 (1)

BY: [signature]
PUBLIC SERVICE COMMISSION MANAGER

ISSUED BY: McCreary County Water District, P.O. Box 488, Whitley City, Kentucky 42653

R.D. Bryant, Chairman

McCreary County Water District

For: ALL OF MCCREARY COUNTY

P.S.C. Ky. No. 2

Original Sheet No. 10

Cancelling P.S.C. Ky. 2

1st Revised Sheet No. 10.1

RULES AND REGULATIONS

DEPOSITS

THE MCCREARY COUNTY WATER DISTRICT DISTRICT MAY REQUIRE A MINIMUM CASH DEPOSIT OR OTHER GUARANTY TO SECURE PAYMENT OF BILLS. SERVICE MAY BE REFUSED OR DISCONTINUED FOR FAILURE TO PAY THE REQUESTED DEPOSIT. INTEREST, AS PRESCRIBED BY KRS 74.050, WILL BE PAID ANNUALLY EITHER BY REFUND OR CREDIT TO THE CUSTOMER'S BILL, EXCEPT THAT NO REFUND OR CREDIT WILL BE MADE IF THE CUSTOMER'S BILL IS DELINQUENT ON THE ANNIVERSARY DATE OF THE DEPOSIT.

THE DEPOSIT MAY BE WAIVED UPON A CUSTOMER'S SHOWING OF SATISFACTORY CREDIT OR PAYMENT HISTORY, AND REQUIRED DEPOSITS WILL BE RETURNED AFTER ONE (1) YEAR IF THE CUSTOMER HAS ESTABLISHED A SATISFACTORY PAYMENT RECORD FOR THAT PERIOD. IF A DEPOSIT HAS HAS BEEN WAIVED OR RETURNED AND THE CUSTOMER FAILS TO MAINTAIN A SATISFACTORY PAYMENT RECORD, A DEPOSIT MAY THEN BE REQUIRED. THE COMPANY MAY REQUIRE A DEPOSIT IN ADDITION TO THE INITIAL DEPOSIT IF THE CUSTOMER'S CLASSIFICATION OF SERVICE CHANGES IN USAGE. UPON TERMINATION OF SERVICE, THE DEPOSIT, ANY PRINCIPAL AMOUNTS, AND INTEREST EARNED AND OWING WILL BE CREDITED TO THE FINAL BILL WITH ANY REMAINDER REFUNDED TO THE CUSTOMER.

IN DETERMINING WHETHER A DEPOSIT WILL BE REQUIRED OR WAIVED, THE FOLLOWING CRITERIA WILL BE CONSIDERED:

1. PREVIOUS PAYMENT HISTORY WITH THE COMPANY. IF THE CUSTOMER HAS NO PREVIOUS HISTORY WITH THE COMPANY, STATEMENTS FROM OTHER UTILITIES, BANKS, ECT. MAY BE PRESENTED BY THE CUSTOMER HAS EVIDENCE OF GOOD CREDIT.

Date Issued: June 10, 1992

Date Effective: July 1, 1992

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE

AUG 1 1992

PURSUANT TO 807 KAR 5:011, SECTION 9 (1)

BY: [signature]
PUBLIC SERVICE COMMISSION MANAGER

ISSUED BY: McCreary County Water District, P.O. Box 488, Whitley City, Kentucky 42653

Raymond Taylor, Chairman

McCreary County Water District

For: ALL OF MCCREARY COUNTY

P.S.C. Ky. No. 2

Original Sheet No. 10

Cancelling P.S.C. Ky. 2
1st Revised Sheet No. 10.2

RULES AND REGULATIONS

IF A DEPOSIT IS HELD LONGER THAN 18 MONTHS, THE DEPOSIT WILL BE RECALCULATED AT THE CUSTOMER'S REQUEST BASED ON THE CUSTOMER'S'S ACTUAL USAGE. IF THE DEPOSIT ON ACCOUNT DIFFERS FROM THE RECALCULATED AMOUNT BY MORE THAN $10.00 FOR A RESIDENTIAL CUSTOMER OR BY 10 PERCENT FOR NON-RESIDENTIAL CUSTOMER, THE COMPANY MAY COLLECT ANY UNDERPAYMENT AND SHALL REFUND ANY OVERPAYMENT BY CHECK OR CHECK OR CREDIT TO THE CUSTOMER'S BILL. NO REFUND WILL BE MADE IF THE CUSTOMER'S BILL IS DELINQUENT AT THE TIME OF THE RECALCULATION.

Date Issued: June 10, 1992

Date Effective: July 10, 1992

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE

AUG 1 1992

PURSUANT TO 807 KAR 5:011, SECTION 9 (1)

BY: [signature]
PUBLIC SERVICE COMMISSION MANAGER

ISSUED BY: McCreary County Water District, P.O. Box 488, Whitley City, Kentucky 42653

Raymond Taylor, Chairman

McCreary County Water District

For: ALL OF MCCREARY COUNTY

P.S.C. Ky. No. 2

Original Sheet No. 10

Cancelling P.S.C. Ky. 2

1st Resived Sheet No. 10.3

RULES AND REGULATIONS

EQUAL DEPOSITS

THE MCCREARY COUNTY WATER DISTRICT CUSTOMER'S WILL PAY EQUAL DEPOSITS IN THE AMOUNT OF $30.00. THIS AMOUNT DOES NOT EXCEED THE AVERAGE BILL OF RESIDENTIAL CUSTOMERS SERVED BY THE WATER DISTRICT AND IS EQUAL TO 2/12 OF THE AVERAGE ANNUAL BILL.

Date Issued: June 10, 19 92

Date Effective: ~~July~~ 19 92

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE

AUG 1 1992

PURSUANT TO 807 KAR 5:011, SECTION 9 (1)

BY: [signature]
PUBLIC SERVICE COMMISSION MANAGER

ISSUED BY: McCreary County Water District, P.O. Box 488, Whitley City, Kentucky 42653

Raymond Taylor, Chairman

RULES AND REGULATIONS

14. Adjustment Relative to Erroneous Meter

If a meter is inaccurate in excess of ±2%, whether upon periodic testing or upon requested testing, additional tests shall be made at once to determine the average error of the meter, and the adjustments shall be made in the customer's water bills as follows:

A. If the result of such tests shows an average error greater than 2% fast, the customer's bill for the period during which the meter error is known to have existed, shall be recomputed and the account adjusted on the basis of the test. If the period during which the meter error existed cannot be determined, then the customer's bill shall be recomputed for one-half (1/2) of the elapsed time since the last previous test, but in no event to exceed 12 months; provided, however, that if time for the periodic test has overrun to the extent that 1/2 of the time elapsed since the last previous test exceeds 12 months, the refund shall be for the 12 months specified above, plus those months exceeding the periodic test period, provided, further, that such refund may be limited to the 12 month period if failure to make the periodic test was due to causes beyond the control of the DISTRICT.

B. If the result of such tests shows an average error greater than 2% slow, the customer's bill for the period during which the meter error is known to have existed, shall be recomputed and the account adjusted on the basis of the test. If the period during which

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BY: PUBLIC SERVICE COMMISSION MANAGER

the meter error existed cannot be determined, then the customer's bill shall be recomputed for one-half (1/2) of the elapsed time since the last previous test, but in no event to exceed 12 months.

C. If the result of such tests necessitates making a refund or back billing a customer, the customer shall be notified in writing of the percentage of error, fast or slow, the date(s) of testing, and the amount of charge or credit to be shown on the next bill of the customer.

15. Meters

All meters shall be installed, renewed, and maintained at the expense of the DISTRICT, and the DISTRICT reserves the right to approve the size and type of meter used.

It shall be the policy of the DISTRICT to test each water meter pursuant to Public Service Commission Regulation 807 KAR 5:066. Section 15. In addition, upon written request of any customer, the meter servicing such customer shall be tested by the DISTRICT, pursuant to Public Service Commission Regulation 807 KAR 5:006 , Section 20.

16. Failure of Water Meter

Where a meter is found to be in error, the customer's bill will be adjusted in accordance with Public Service Commission Regulation 807 KAR 5:006, Section 9. Where a meter has ceased to register, the District will estimate

the monthly bill of the customer for the month that the meter is replaced. The estimated bill will be based upon the previous six months' usage.

17. Right of Access

The customer must agree to permit the DISTRICT to lay, maintain, repair, or remove such water lines which is the property of the DISTRICT located on the customer's property with the right of ingress-and egress over customer's property. The DISTRICT'S duly authorized representative and/or other duly authorized employee of the State Health Department bearing proper credentials and identification shall be permitted to enter upon all properties for the purpose of inspection, observation, measurement, sampling, and testing, in accordance with the provisions of these Rules and Regulations.

18. Interruption of Service

The DISTRICT will use reasonable diligence in supplying water service, but shall not be liable for breach of contract in the event of, or for loss, injury, or damage to persons or property resulting from interruptions in service, excessive or inadequate water pressure, or otherwise unsatisfactory service, whether or not caused by negligence. The DISTRICT does hereby explicitly state that its system is one for rural domestic consumption and that its allowance of connections to its system for fire protection whether by design or implication is only for such benefit as said customer may be able to derive from such connection.

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PURSUANT TO 807 KAR 5:011, SECTION 9 (1)

BY: PUBLIC SERVICE COMMISSION MANAGER

RULES AND REGULATIONS

The DISTRICT'S system is not designed nor intended for use for fire protection in any manner whatsoever. Any customer using same for fire protection does so at their own full and sole responsibility.

The DISTRICT shall in no event be held responsible for any claim made against it by reason of the breaking of any mains or service pipes or by reason of any other interruption of the supply of water caused by the failure of machinery or stoppage for necessary repairs. No person shall be entitled to damages nor for any portion of a payment refunded for any interruption of service which in the opinion of the DISTRICT may be deemed necessary.

The DISTRICT shall made all reasonable efforts to eliminate interruption of service and when such interruption occur will endeavor to reestablish service with the shortest possible delay. When the service is interrupted all consumers affected by such interruption will be notified in advance whenever it is possible to do so.

19. Boilers and/or Pressure Vessels

Customers having boilers and/or pressure vessels receiving a supply of water from the DISTRICT must have a check valve on the water supply line and a vacuum valve on the stream line to prevent collapse in case the water supply from the DISTRICT is discontinued or interrupted for any reason, with or without notice. It is the

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PURSUANT TO 807 KAR 5:011, SECTION 9 (1)

BY: PUBLIC SERVICE COMMISSION MANAGER

responsibility of the customer to make provisions for protection of his equipment in case of interrupted or intermittent service.

20. Backflow Preventors

Special services and fire connection shall have backflow preventors of a type approved by the DISTRICT, installed at the cost of prospective customer.

21. Cross-Connection

Kentucky Department of Health, Kentucky Public Service Commission and these rules and regulations do hereby explicitly state that cross-connection of the DISTRICT'S system with any other source is hereby prohibited.

22. Relocation of Water Facility

The DISTRICT may, at the request of a customer or other person relocate, change or modify existing DISTRICT owned equipment, mains or appurtenances. Same shall reimburse DISTRICT for such changes at actual cost including appropriate legal, administrative, engineering and overhead cost.

23. Damage to DISTRICT'S Water System

No person shall maliciously, willfully, or negligently break, damage, destroy, uncover, deface, or tamper with any structure appurtenance, or equipment which is a part of the DISTRICT'S water works. Any person violating this

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PURSUANT TO 807 KAR 5:011, SECTION 9 (1)

BY: PUBLIC SERVICE COMMISSION MANAGER

provision shall be subject to immediate arrest and/or discontinuation of water service and shall pay the cost of repairing or replacing the pipe or appurtenance.

Any person, firm or organization working around or near DISTRICT'S distribution mains or appurtenances may request the DISTRICT to indicate location of same. However, indication by DISTRICT of same does not relieve such person of complete responsibility and liability for any and all damages, liability and loss resulting from any act of such person or his assigns and/or agent.

24. Additional Load

The service connection supplied by the DISTRICT for each customer has a definite capacity, and no addition to the equipment or load connected thereto will be allowed except by consent of the DISTRICT. Failure to give notice of additions or changes in load, and to obtain the DISTRICT'S consent for same, shall render the customer liable for any damage to any of the DISTRICT'S lines or equipment caused by the additional or changed installation.

25. Notice of Trouble

The customer shall notify the DISTRICT immediately should the service be unsatisfactory for any reason, or should there be any defects, trouble or accidents affecting the supply of water.

RULES AND REGULATIONS

26. Distribution Extensions

Any person desiring an extension to DISTRICT'S system shall request in writing, in a form approved by DISTRICT, for such extension. Any requested extension may be provided under one of the following options.

OPTION I - DISTRICT shall construct such extension under authority and procedure as stipulated in Public Service Commission Regulation 807 KAR 5:066, Section 12. Any extension made under this option shall be subject to refund as outlined in said regulation.

OPTION II - Applicant may construct and donate to DISTRICT, the extension, as a contribution in aid of construction, meeting all DISTRICT'S specifications and approval. DISTRICT reserves right to stipulate applicable engineering, legal and administrative factors. Applicant shall pay all cost of DISTRICT as a contribution in aid of construction. Any extension made under this option shall not be eligible for refund.

The applicant or group of applicants shall have the right to elect the option by which said extension shall be made. In either case applicant must execute a contract and agreement for line extension of form approved by DISTRICT.

Extendor applicant is hereby notified that regardless of option selected all other rules, rates and schedules of fees applicable to size and type of service requested shall be paid in addition to cost of extension.

Date of Issue: September 10, 1987 Date Effective: April 1, 1987

ISSUED BY: McCreary County Water District, P.O. Box 488
Whitley City, Kentucky 42653

R.D. Bryant, Chairman

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

SEP 28 1991

PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)
BY: [signature]
PUBLIC SERVICE COMMISSION MANAGER

RULES AND REGULATIONS

OPTION III-

THE DISTRICTS SHALL DETERMINE THE TOTAL COST OF THE PROPOSED WATER MAIN EXTENSION (EXCLUSIVE OF THE METER CONNECTIONS) AND THE TOTAL LENGTH OF THE EXTENSION. THE DISTRICTS SHALL PAY THE PORTION OF THE COST OF THE WATER MAIN EXTENSION EQUAL TO 50 FEET FOR EACH APPLICANT FOR SERVICE. THAT PART OF THE COST NOT COVERED BY THE DISTRICT'S PORTION SHALL BE CONTRIBUTED EQUALLY BY THOSE APPLICANTS DESIRING SERVICE ON THE MAIN EXTENSION. EACH APPLICANT WILL ALSO BE REQUIRED TO PAY THE DISTRICT'S APPROVED "TAP-ON-FEE" FOR A METER CONNECTION TO THE MAIN EXTENSION.

FOR A PERIOD OF FIVE YEARS AFTER THE ORIGINAL CONSTRUCTION OF THE MAIN EXTENSION EACH ADDITIONAL CUSTOMER DIRECTLY CONNECTED TO EACH PARTICULAR EXTENSION WILL BE REQUIRED TO CONTRIBUTE TO THE COST OF THAT WATER MAIN EXTENSION BASED ON A RECOMPUTATION OF BOTH THE DISTRICT'S PORTION OF THE TOTAL COST AND EACH CUSTOMER'S CONTRIBUTION AS SET OUT ABOVE. THE DISTRICT MUST EFUND TO THOSE CUSTOMERS THAT HAVE PREVIOUSLY CONTRIBUTED TO THE COST OF EACH MAIN EXTENSION ITSELF THAT AMOUNT NECESSARY TO REDUCE THEIR CONTRIBUTION TO THE CURRENTLY CALCULATED AMOUNT FOR EACH CUSTOMER CONNECTED TO THAT EXTENSION. ALL CUSTOMER DIRECTLY CONNECTED TO EACH MAIN EXTENSION FOR A FIVE-YEAR PERIOD AFTER IT IS PLACED IN SERVICE ARE TO CONTRIBUTE EQUALLY TO COST OF CONSTRUCTION OF THE WATER MAIN EXTENSION ITSELF. IN ADDITION EACH CUSTOMER MUST PAY THE APPROVED "TAP-ON-FEE" APPLICABLE AT THE TIME OF THEIR APPLICATION FOR THE METER CONNECTION. THE "TAP-ON-FEE" IS NOT PART OF THE REFUNDABLE COST OF THE EXTENSION AND MAY BE CHANGED DURING THE REFUND PERIOD. AFTER THE FIVE-YEAR REFUND PERIOD EXPIRES, ANY ADDITIONAL CUSTOMER APPLYING FOR SERVICE ON EACH MAIN EXTENSION MUST BE CONNECTED FOR THE AMOUNT OF THE APPROVED "TAP-ON-FEE" ONLY. ALSO, AFTER THE FIVE-YEAR REFUND PERIOD EXPIRES, THE DISTRICT WILL BE REQUIRED TO MAKE REFUNDS FOR AN ADDITIONAL FIVE-YEAR PERIOD IN ACCORDANCE WITH 807 KAR 5:066 SECTION 12(b).

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE

SEP 28 1991

PURSUANT TO 807 KAR 5:011, SECTION 9 (1)

BY: PUBLIC SERVICE COMMISSION MANAGER

RULES AND REGULATIONS

27. Complaints

Complaints may be made to the operator of the system whose decision may be appealed to the DISTRICT Commissioners. Such appeal shall be in writing within ten (10) days of date of decision by operator, stating the nature of the complaint and supporting evidence. Decisions by the DISTRICT'S Commissioners or operation may be brought before the Public Service Commission in accordance with 807 KAR 5:001 Section 11 and 12.

28. Sale of Water

Water furnished by the DISTRICT may be used for domestic consumption by the customer's household or business, subject to special service agreements. The customer shall not sell, donate, give or allow use of such water to any authorized or unauthorized party.

29. Special Charges

Special charges may be assessed to the customer for returned checks, meter rereads, and meter retests at the specified charges shown below:

A. A charge of $10.00 will be made for each check returned to the District by the bank.

B. A charge of $20.00 will be made to reread a meter at the customers request unless such reread reveals that the initial reading was erroneous. No charge shall be made if the initial reading was erroneous.

RULES AND REGULATIONS

C. A charge of $35.00 will be made for a meter retest when such test is made at the customers request unless the meter is found to be faulty. No charge shall be made for a faulty meter, but appropriate adjustments shall be made in accordance with Section 14 of these rules and regulations.

30. Special User Agreements for Nonstandard Service

Each prospective customer requesting a nonstandard service shall execute to the DISTRICT an agreement for special service. The standard forms for Agreement for Special Services are as follows:

Agreement for Special Service,
Nonstandard Size Meter

Agreement for Multi-Family Development,
Master Meter

Agreement for Multi-Family Development,
Units with Individual Meters

Agreement for Mobile Home Park Service,
Master Meter

Agreement for Mobile Home Park Service,
Sites with Individual Meters

Agreement for Special Service,
Sprinkler System and Fire Service Connection

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PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)
BY: [illegible]
PUBLIC SERVICE COMMISSION MANAGER

McCreary County Water District

For: All of McCreary County

P.S.C. Ky. No. 2

Original Sheet No. 20

Cancelling P.S.C. Ky. No.

Sheet No.

RULES AND REGULATIONS

For special service not applicable to above categories the DISTRICT may, upon consent of Applicant and DISTRICT, formulate and execute a contractual agreement specifically applicable to said special service need.

Date of Issue: April 1, 1087

Date Effective: April 1, 1987

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE

APR 01 1987

PURSUANT TO 807 KAR 5:011, SECTION 9 (1)

BY: [signature]
PUBLIC SERVICE COMMISSION MANAGER

ISSUED BY: McCreary County Water District, P.O. Box 488, Whitley City, Kentucky 42653

[signature]
R.D. Bryant, Chairman

McCreary County Water District

For: ALL OF MCCREARY COUNTY

P.S.C. Ky. No. 2

Original Sheet No. _____

Cancelling P.S.C. Ky. _____

RULES AND REGULATIONS

MONITORING OF CUSTOMER USAGE

AT LEAST ONCE ANNUALLY THE COMPANY WILL MONITOR THE USAGE OF EACH CUSTOMER ACCORDING TO THE FOLLOWING PROCEDURE:

1. THE CUSTOMER'S ANNUAL USAGE FOR THE MOST RECENT 12-MONTH PERIOD WILL BE COMPARED WITH THE ANNUAL USAGE FOR THE 12 MONTHS IMMEDIATELY PRECEDING THAT PERIOD.

2. IF THE ANNUAL USAGE FOR THE TWO PERIODS ARE SUBSTANTIALLY THE SAME OR IF ANY DIFFERENCE IS KNOWN TO BE ATTRIBUTED TO UNIQUE CIRCUMSTANCES, SUCH AS UNUSUAL WEATHER CONDITIONS, COMMON TO ALL CUSTOMER, NO FURTHER REVIEW WILL BE DONE.

3. IF THE ANNUAL USAGES DIFFER BY 100 PERCENT OR MORE AND 10,000 GALS AND CANNOT BE ATTRIBUTED TO A READILY IDENTIFIED COMMON CAUSE, THE COMPANY WILL COMPARE THE CUSTOMER'S MONTHLY USAGE RECORDS FOR THE 12-MONTH PERIOD WITH THE MONTHLY FOR THE SAME MONTHS OF THE PRECEDING YEAR.

4. IF THE CAUSE FOR THE USAGE DEVIATION CANNOT BE DETERMINED FROM ANALYSIS OF THE CUSTOMER'S METER READING AND BILLING RECORDS, THE COMPANY WILL CONTACT THE CUSTOMER BY TELEPHONE OR IN WRITING TO DETERMINE WHETHER THERE HAVE BEEN CHANGES SUCH AS DIFFERENT NUMBER OF HOUSEHOLD MEMBERS OR WORK STAFF, ADDITIONAL OR DIFFERENT APPLIANCES, CHANGES IN BUSINESS VOLUME, OR KNOWN LEAKS IN THE CUSTOMER'S SERVICE LINE.

5. WHERE THE DEVIATION IS NOT OTHERWISE EXPLAINED, THE COMPANY WILL TEST THE CUSTOMER'S METER TO DETERMINE WHETHER IT SHOWS AN AVERAGE ERROR GREATER THAN 2 PERCENT FAST OR SLOW.

Date Issued: June 10, 1992 Date Effective: June 10, 1992

ISSUED BY: McCreary County Water District, P.O. Box 488, Whitley City, Kentucky 42653

Raymond Taylor, Chairman

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE

AUG 1 1992

PURSUANT TO 807 KAR 5:011, SECTION 9 (1)

BY: _____

PUBLIC SERVICE COMMISSION MANAGER

RULES AND REGULATIONS

6. THE COMPANY WILL NOTIFY THE CUSTOMERS OF THE INVESTIGATION, ITS FINDINGS, AND ANY REFUNDS OR BACKBILLING IN ACCORDANCE WITH 807 KAR 5:006, SECTION 10(4) AND (5).

IN ADDITION TO THE ANNUAL MONITORING THE COMPANY WILL IMMEDIATELY INVESTIGATION USAGE DEVIATIONS BROUGHT TO ITS ATTENTION AS A RESULT OF ITS ON-GOING METER READING OR BILLING PROCESSES OR CUSTOMER INQUIRY.

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE

AUG 1 1992

PURSUANT TO 807 KAR 5:011, SECTION 9 (1)

BY: _____

PUBLIC SERVICE COMMISSION MANAGER

MCCREARY COUNTY WATER DISTRICT
PO BOX 488 WHITLEY CITY KY 42653

FIRST CLASS MAIL
U.S. POSTAGE PAID
WHITLEY CITY KY
PERMIT NO. 02
FIRST CLASS PRESORTED

FORWARD & ADDRESS CORRECTION

ACCOUNT NO.: 06-3040-0 BILL DATE: 08/24/92 DUE DATE: 09/17/92

ITEM	AMOUNT	CODE	READING DATE	PREVIOUS READING	CURRENT READING	USAGE	UC	MR	AMOUNT
WATER	28.98	WTR	07/13-08/11	100700	111600	10900			28.98
SCHOOL	0.87					SCHOOL TAX			0.87

FOR SERVICE AT: HC 69 BOX 611

NET BILL DUE NOW 29.85

GROSS AMOUNT DUE AFTER DUE DATE 29.85 NET BILL DUE NOW 29.85

HC 69 BOX 611
STEVE OWENS

RESIDENTIAL

GROSS AMOUNT DUE AFTER 29.85 09/17/92

ENTER REMARKS

06-3040-0
STEVE OWENS
HC 69 BOX 611
STEARNS KY 42647

RETURN STUB WITH PAYMENT

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

OCT 1 1992

PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)
BY: [signature]
PUBLIC SERVICE COMMISSION MANAGER

MCCREARY COUNTY WATER DISTRICT
PO BOX 488 WHITLEY CITY KY 42653

FIRST CLASS MAIL
U.S. POSTAGE PAID
WHITLEY CITY KY
PERMIT NO. 02
FIRST CLASS PRESORTED

FORWARD & ADDRESS CORRECTION

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HC 69 BOX 611
STEVE OWENS

RESIDENTIAL

GROSS AMOUNT DUE AFTER 29.85 09/17/92

ENTER REMARKS

06-3040-0
STEVE OWENS
HC 69 BOX 611
STEARNS KY 42647

RETURN STUB WITH PAYMENT

WATER USER AGREEMENT

STANDARD METER SERVICE

This agreement, dated this _____ day of _____, 19__, between _____ _____, herein called "CUSTOMER", and McCreary County Water District, P.O. Box 488, Whitley City, Kentucky 42653, herein called "DISTRICT";

WITNESSETH:

WHEREAS, DISTRICT has undertaken to establish and operate a central water system for domestic, livestock, lawn, garden and other uses,

WHEREAS, the CUSTOMER desires to purchase water services from the DISTRICT, the CUSTOMER hereby enters into this water user's agreement as required by the Rules and Regulations of the DISTRICT.

Now THEREFORE, in consideration of the premises and mutual covenants and conditions hereinafter set out, subject to the Rules and Regulations of the DISTRICT and Kentucky Public Service Commission, it is hereby understood and agreed by the parties hereto as follows:

The DISTRICT shall furnish, subject to the limitations set out in its Rules and Regulations and Tariff as regularly filed with the Public Service Commission of Kentucky now in force or as hereafter amended, water service to the CUSTOMER in connection with the property to be served by this agreement. The property to be served is a _____ _____ located _____

_____.

The CUSTOMER understands and fully agrees that said meter service shall service one (1) source use per meter and separate user agreements and meters shall be required for each source use located on customer's premises.

The CUSTOMER agrees to pay a service connection fee of $_____ to the DISTRICT. Upon payment of said fee, DISTRICT agrees to connect to DISTRICT'S distribution main and install a standard size (5/8" x 3/4") meter service at or near CUSTOMER'S property line, subject to distance limitations as contained in DISTRICT'S Rules and Regulations.

The CUSTOMER agrees to grant to the DISTRICT, its successors and assigns, a perpetual easement in, over, under and upon land owned by the CUSTOMER, with the right to erect, construct, install and lay, and thereafter use, inspect, maintain, replace, and remove water pipelines and appurtenant

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facilities, together with the right to utilize adjoining lands belonging to the CUSTOMER for the purpose of ingress to and egress from the said lands.

There are no unwritten understandings or agreements relating to the service hereinabove provided. This agreement cancels and supersedes all previous agreements relating to the purchase by CUSTOMER and sale by DISTRICT of water service at CUSTOMER'S premises and referred to above.

This agreement shall be in full force and effect when signed by the authorized representatives of the parties hereto.

CUSTOMER	DISTRICT
BY _____	BY _____
TITLE _____	TITLE _____

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PURSUANT TO 807 KAR 5:011,
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BY: [illegible]
PUBLIC SERVICE COMMISSION MANAGER

AGREEMENT FOR SPECIAL SERVICE
NON-STANDARD SIZE METER

This agreement, dated this _____ day of _____, 19__, between _____, herein called "CUSTOMER", and the McCreary County Water District, hereinafter called "DISTRICT";

WITNESSETH:

WHEREAS, DISTRICT has undertaken to establish and operate a central water system for domestic, livestock, lawn, garden and other uses, and has as it standard domestic service connection a 5/8" x 3/4" size meter, and,

WHEREAS, CUSTOMER requests and has evidenced to DISTRICT probable consumption of water in excess to that which can be provided by DISTRICT'S standard size connection, does hereby request of DISTRICT service through the size meter agreed and stipulated hereinafter.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and conditions hereinafter set out, it is agreed betwen the DISTRICT and CUSTOMER as follow:

1. CUSTOMER Agrees to:

   A. Take the necessary action to have the Special Service Connection approved by the appropriate County, City, Kentucky Department of Public Health, and Department of Building and Construction, where applicable a plan showing the location and size of the proposed pipelines and appurtenances, as well as cross-connection protection.

   B. Install the pipelines and appurtenances in accordance with approved plans and specifications from CUSTOMER'S premises to DISTRICT'S meter.

   C. Pay all costs of materials and installation of the proposed lines which may be needed to tie into the DISTRICT'S meter.

   D. Pay to the DISTRICT the service connection fee and meter deposit, as required by the governing body of the DISTRICT, the size meter and service connection fee agreed by CUSTOMER and DISTRICT as follows:

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METER SIZE _____ SERVICE CONNECTION FEE
$_____

SERVICE LOCATION _____

_____

2. DISTRICT Agrees to:

A. Permit one nonstandard size meter at a point adjacent to the CUSTOMER'S premises.

B. Install the meter after payment of the required fees for said water tap and meter.

C. Provide water service in accordance with the DISTRICT'S By-Laws, Rules and Regulations, and Policies. Water service will be provided after the installation is complete and title to all lines and appurtenances between the DISTRICT'S mains and the meter is vested to the DISTRICT.

_____	_____
CUSTOMER	DISTRICT
BY: _____	BY: _____
TITLE	CHAIRMAN

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

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PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)

BY: George Fellue
PUBLIC SERVICE COMMISSION MANAGER

AGREEMENT FOR MULTI-FAMILY DEVELOPMENT

MASTER METER

This agreement, dated this _____ day of _____, 19__, entered into between _____ whose address is _____ hereinafter called "CUSTOMER", and the McCreary County Water District, P.O. Box 488, Whitley City, Kentucky 42653, hereinafter called "DISTRICT".

WITNESSETH:

WHEREAS, the DISTRICT has undertaken to establish and operate a central water system for domestic, livestock, lawn, garden, and other uses.

WHEREAS, the CUSTOMER has undertaken to establish a Multi-Family Development for rental of housing units within the DISTRICT'S service area and desires that water service be provided to such Multi-Family development.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and conditions hereinafter set out, it is agreed between DISTRICT and CUSTOMER as follows:

1. CUSTOMER Agrees to:

   A. Obtain or show approval of the Kentucky Department of Human Resources of the Multi-Family Development Plan, showing the location and size of the proposed pipelines and appurtenances.

   B. Install the pipelines and appurtenances in accordance with specifications of the DISTRICT'S existing or planned system or show proof that this has been done.

   C. Pay all costs of materials and installation of the proposed lines, including any lines and appurtenances outside the Multi-Family Development area, which may be needed to tie into the existing DISTRICT'S waterlines. This includes paralleling or replacing DISTRICT'S waterlines in order to tie into a main line of sufficient size to provide an adequate amount of water within the Multi-Family Development area.

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BY: [signature]
PUBLIC SERVICE COMMISSION MANAGER

D. Convey to the DISTRICT, fee and unencumbered title of any and all lines installed by the CUSTOMER between the DISTRICT'S main, to and including master meter.

E. Pay to the DISTRICT the service connection fee as required by the governing body of the DISTRICT for the size meter requested by the CUSTOMER.

F. Maintain all lines and appurtenances from the master meter throughout the Multi-Family Development area.

G. Pay the DISTRICT for water used, based on the larger of:

(1) The number of mobile home sites in the park times the minimum water charge per unit, based on a 5/8" x 3/4" meter minimum charge, or;

(2) The amount based on the average gallons used per housing unit at the current rate schedule times the number of housing units in the Multi-Family Development area.

2. DISTRICT Agrees to:

A. Permit one master meter at a point adjacent to the Multi-Family Development area.

B. Install the master meter after payment of the required fees for said water service connection.

C. Provide water service in accordance with the DISTRICT's By-Laws, Rules and Regulations, and Policies. Water service will be provided after the installation is complete and title to all lines and appurtenances between the DISTRICT'S mains and the master meter is vested to the DISTRICT.

IN WITNESS WHEREOF, we have executed this agreement this

_____ day of _____, 19____.

OWNER	McCREARY COUNTY WATER DISTRICT
BY: _____ TITLE	BY: _____ CHAIRMAN

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

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PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)

BY: [signature]
PUBLIC SERVICE COMMISSION MANAGER

AGREEMENT FOR MULTI-FAMILY DEVELOPMENT

UNITS WITH INDIVIDUAL METERS

This agreement, dated this _____ day of _____, 19__, entered into between _____ whose address is _____ hereinafter called "OWNER", and the McCreary County Water District, P.O. Box 488, Whitley City, Kentucky 42653, hereinafter called "DISTRICT".

WITNESSETH:

WHEREAS, the SUPPLIER has undertaken to establish and operate a central water system for domestic, livestock, lawn, garden, and other uses.

WHEREAS, the DEVELOPER has undertaken to establish a Multi-Family Development for rental of housing units within the SUPPLIER'S service area and desires that water service be provided to such Multi-Family Development.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and conditions hereinafter set out, it is agreed between SUPPLIER and DEVELOPER as follows:

1. DEVELOPER Agrees to:

   A. Obtain or show approval of the Kentucky Department of Human Resources of the Multi-Family Development plan, showing the location and size of the proposed pipelines and appurtenances.

   B. Install the pipelines and appurtenances in accordance with specifications of the DISTRICT's existing or planned system or show proof that this has been done.

   C. Pay all costs of materials and installation of the proposed lines, including any lines and appurtenances outside the Multi-Family Development area, which may be needed to tie into the existing DISTRICT's waterlines. This includes paralleling or replacing DISTRICT's waterlines in order to tie into a main line of sufficient size to provide an adequate amount of water within the Multi-Family Development area.

   D. Convey to the DISTRICT, fee and unencumbered title, the pipeline distribution system and appurtenances

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BY: [signature]
PUBLIC SERVICE COMMISSION MANAGER

installed by the DEVELOPER after the system is installed, tested and acceptable to the DISTRICT.

E. Pay to the DISTRICT the service connection fee as required by the governing body of the DISTRICT.

2. DISTRICT Agrees to:

A. Permit one one tap for each and every housing unit reached by the said pipeline distribution system within the trailer park and render water service to the housing unit in accordance with the regular schedule of rates for customers of the DISTRICT.

B. Install one tap and meter for each water subscription contract purchased within a reasonable time after payment of the required fees for said water tap.

C. Provide water service in accordance with the DISTRICT's By-Laws, Rules and Regulations, and Policies. Water service will be provided after the installation is complete and title to all lines and appurtenances between the DISTRICT's mains and the master meter is vested to the DISTRICT.

IN WITNESS WHEREOF, we have executed this agreement this ____ day of _____, 19___.

_____	_____
OWNER	McCREARY COUNTY WATER DISTRICT
BY: _____	BY: _____
TITLE	CHAIRMAN

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

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PURSUANT TO 807 KAR 5:011,
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BY: [signature]
PUBLIC SERVICE COMMISSION MANAGER

AGREEMENT FOR MOBILE HOME PARK SERVICE

MASTER METER

This agreement, dated this _____ day of _____, 19__, entered into between _____ whose address is _____ hereinafter called "OWNER", and the McCreary County Water District, P.O. Box 488, Whitley City, Kentucky 42653, hereinafter called "DISTRICT".

WITNESSETH:

WHEREAS, the SUPPLIER has undertaken to establish and operate a central water system for domestic, livestock, lawn, garden, and other uses.

WHEREAS, the DEVELOPER has undertaken to establish a Mobile Home Park for the sale or rental of mobile home sites within the SUPPLIER'S service area and desires that water service be provided to such mobile home park.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and conditions hereinafter set out, it is agreed between SUPPLIER and DEVELOPER as follows:

1. DEVELOPER Agrees to:

   A. Obtain or show approval of the Kentucky Department of Human Resources of the Mobile Home Park plant, showing the location and size of the proposed pipelines and appurtenances.

   B. Install the pipelines and appurtenances in accordance with specifications of the DISTRICT's existing or planned system or show proof that this has been done.

   C. Pay all costs of materials and installation of the proposed lines, including any lines and appurtenances outside the Mobile Home Park, which may be needed to tie into the existing DISTRICT's waterlines. This includes paralleling or replacing DISTRICT's waterlines in order to tie into a main line of sufficient size to provide an adequate amount of water within the Mobile Home Park.

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BY: [signature]
PUBLIC SERVICE COMMISSION MANAGER

D. Convey to the DISTRICT, fee and unencumbered title of any and all lines installed by the OWNER between the DISTRICT's main, to and including master meter.

E. Pay to the DISTRICT the service connection fee as required by the governing body of the DISTRICT for the size meter requested by the OWNER.

F. Maintain all lines and appurtenances from the master meter throughout the Mobile Home Park.

G. Pay the DISTRICT for water used, based on the larger of:

(1) The number of mobile home sites in the park times the minimum water charge per unit, based on a 5/8" X 3/4" meter minimum charge, or;

(2) The amount based on the average gallons used per mobile home site at the current rate schedule times the number of mobile home sites in the park.

2. DISTRICT Agrees to:

A. Permit one master meter at a point adjacent to the mobile home park.

B. Install the master meter after payment of the required fees for said water service connection.

C. Provide water service in accordance with the DISTRICT's By-Laws, Rules and Regulations, and Policies. Water service will be provided after the installation is complete and title to all lines and appurtenances between the DISTRICT's mains and the master meter is vested to the DISTRICT.

3. It is further understood and agreed that the DISTRICT has entered into a loan agreement with the Farmers Home Administration, U.S. Department of Agriculture, for financing the construction of its central water system and the DISTRICT's obligations hereunder are contingent on its obtaining or having obtained said financing.

IN WITNESS WHEREOF, we have executed this agreement this ____

day of _____, 19___.

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OF KENTUCKY
EFFECTIVE

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SECTION 9 (1)
BY: [signature]
PUBLIC SERVICE COMMISSION MANAGER

_____	_____
OWNER	McCREARY COUNTY WATER DISTRICT
BY: _____	BY: _____
TITLE	CHAIRMAN

AGREEMENT FOR MOBILE HOME PARK SERVICE

SITES WITH INDIVIDUAL METERS

This agreement, dated this _____ day of _____, 19__, entered into between _____ whose address is _____, hereinafter called "OWNER", and McCREARY COUNTY WATER DISTRICT, hereinafter called "DISTRICT";

WITNESSETH:

WHEREAS, DISTRICT has undertaken to establish and operate a central water system for domestic, livestock, lawn, garden, and other uses.

WHEREAS, OWNER has undertaken to establish a Mobile Home Park for the sale or rental of mobile home sites within the DISTRICT's service area and desires that water service be provided to such Mobile Home Park.

NOW, THEREFORE, in consideration of the premises and mutual covenants and conditions hereinafter set out, it is agreed between DISTRICT and OWNER as follows:

1. OWNER Agrees to:

   A. Obtain or show the approval of the Kentucky Department of Human Resources of the Mobile Home Park plant, showing the location and size of the proposed pipelines and appurtenances.

   B. Install the pipelines and appurtenances in accordance with specifications of the DISTRICT's existing or planned system or show proof that this has been done.

   C. Pay all costs of materials and installation of the proposed lines, including any lines and appurtenances outside the Mobile Home Park, which may be needed to tie into the existing DISTRICT's waterlines. This includes paralleling or replacing DISTRICT's waterlines in order to tie into a main line of sufficient size to provide an adequate amount of water within the Mobile Home Park.

   D. Convey to the DISTRICT, fee and unencumbered to the pipeline distribution system and appurtenances installed by the OWNER after the system is installed, tested, and acceptable to the DISTRICT.

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SECTION 9 (1)
BY: George Allen
PUBLIC SERVICE COMMISSION MANAGER

E. Pay to the DISTRICT the service connection fees for each service fee, as required by the governing body of the DISTRICT.

2. DISTRICT Agrees to:

A. Permit one tap for each and every mobile home site reached by the said pipeline distribution system within the Mobile Home Park, and render water service to the mobile homes in accordance with the regular schedule of rates for customers of the DISTRICT.

B. Install one tap and meter for each water subscription contract purchased within a reasonable time after payment of the required fees for said water tap.

C. Provide water service, after the system is accepted by the DISTRICT and title vested to the DISTRICT, in accordance with the DISTRICT's By-Laws, Rules and Regulations, and Policies. This includes all items of operation and maintenance of the sytem.

3. It is further understood and agreed that the DISTRICT has entered into a loan agreement with the Farmers Home Administrations, U.S. Department of Agriculture, for financing the construction of its central water system and the DISTRICT's obligations hereunder are contingent on its obtaining or having obtained said financing.

IN WITNESS WHEREOF, we have executed this agreement this ___

day of _____, 19___.

_____ _____

OWNER McCREARY COUNTY WATER DISTRICT

BY: _____ _____

TITLE CHAIRMAN

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

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PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)

BY: _____
PUBLIC SERVICE COMMISSION MANAGER

AGREEMENT FOR SPECIAL SERVICE

SPRINKLER SYSTEM AND FIRE SERVICE CONNECTION

This agreement, entered into between _____, whose address is _____ hereinafter called "CUSTOMER" and the McCreary County Water District, P.O. Box 488, Whitley City, Kentucky 42653, hereinafter called "DISTRICT".

WHEREAS, the DISTRICT has undertaken to establish and operate a central water system for domestic, livestock, lawn garden, and other uses.

WHEREAS, the DISTRICT has undertaken to provide fire protection to facility (ies) and desires that a connection the DISTRICT'S water distribution line be permitted.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and conditions hereinafter set out, it is agreed between DISTRICT and CUSTOMER as follows:

1. CUSTOMER Agrees to:

A. Take the necessary steps to have fire protection plans and specifications approved by the appropriate County, City, and State Agency. A copy of approved plans and specifications are attached.

B. Obtain the approval of the Kentucky Department of Health of the proposed means of prevention of cross-connection or backflow prevention and other pertinent approvals. A copy of such approval is attached.

C. CUSTOMER warrants that system will be maintained in a good and correct condition, preventing water loss or contamination of facilities. Should CUSTOMER fail to properly maintain or adequately protect interest of DISTRICT, the DISTRICT may, without notice of recourse, terminate service to CUSTOMER. CUSTOMER agrees to pay for water loss due to line breaks or equipment failure based on DISTRICT'S engineers estimate.

D. Install the pipelines and appurtenances in accordance with specifications of the DISTRICT'S existing or planned system.

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SECTION 9 (1)
BY: [signature]
PUBLIC SERVICE COMMISSION MANAGER

E. Pay all costs of materials and installation of the proposed service lines including any lines and appurtenances outside CUSTOMER'S property which may be needed to tie into the existing DISTRICT'S waterlines. This includes paralleling or replacing DISTRICT'S waterlines in order to tie into a main line of sufficient size to provide adequate design pressure and volume at the point of connection to DISTRICT'S main line.

F. Make provision for payment to tap fees and monthly charge to the DISTRICT.

G. Convey to the DISTRICT fee and unencumbered title to the pipeline distribution system and appurtenances installed by the CUSTOMER between the DISTRICT main, to and including main valve pit.

H. Pay the DISTRICT for services and potential services rendered the CUSTOMER, as a result of CUSTOMER having available such water, as currently available when needed by being connected to DISTRICT'S lines, a fee as hereinafter set out. It is mutually agreed and understood that fee stated hereinafter is for one (1) service tap only and any additional tap or service for CUSTOMER'S property or facility will be contracted for by execution of a separate agreement.

Size of Service _____

Service Connection Fee _____

I. CUSTOMER agrees to indemnify and hold harmless any claim for damages toward the DISTRICT for any loss suffered by the CUSTOMER because of nonavailability of water, loss of pressure, reduced flow, or any other act, omission or responsibility of/by the DISTRICT.

2. DISTRICT Agrees to:

A. Permit a valve pit at a point adjacent or near the CUSTOMER'S facility.

B. Provide water service in accordance with the DISTRICT'S By-laws, Rules and Regulations, and Policies.

C. Water service will be provided after the installation is complete and title to all lines and appurtenances between the DISTRICT'S mains, including the valve pit is vested to the DISTRICT.

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BY: [signature]
PUBLIC SERVICE COMMISSION MANAGER

It is mutually agreed and understood that if service is dependant on extension or construction of a new main by DISTRICT that service by DISTRICT will not be available until such construction is complete.

D. DISTRICT will maintain and operate that part of system which CUSTOMER has vested title to DISTRICT.

3. It is further understood and agreed that DISTRICT, in no way, guarantees or implies that DISTRICT'S system is adequate for fire protection. DISTRICT only offers to CUSTOMER such service as to availablility of water and pressure as may be, at the exact time when CUSTOMER demands. Further, DISTRICT does not agree nor warrant that design pressures and flows will not change, in fact, DISTRICT expects to add additional customers and expect that flow and pressure will decrease.

4. It is mutually agreed and understood that the distribution system installed, or to be installed by SUPPLIER, is basically a water distribution system for residential potable water supply. Design for fire protection has in no way been considered, nor does SUPPLIER warrant non-interruption of service.

IN WITNESS WHEREOF, we have executed this agreement this _____ day of _____, 1984.

WITNESS:

_____ _____

Water User

ATTEST:

_____

McCreary County Water District

BY: _____

_____

Title

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

APR 01 1987

PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)

BY: Gary Fuller

PUBLIC SERVICE COMMISSION MANAGER

McCREARY COUNTY

WATER SHORTAGE RESPONSE ORDINANCE

(Advisory, Alert and Emergency Phases)

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

JUL 24 1999

PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)
BY: Stephanie Bell
SECRETARY OF THE COMMISSION

ORDINANCE NO.

An ordinance authorizing the declaration of a water shortage; establishing procedures and measures for the essential conservation of water resources; authorizing the issuance of administrative regulations; and prescribing certain penalties.

Be it Enacted by the Fiscal Court of McCreary County.

Section 1. Purpose. The purpose of this ordinance is to provide for the declaration of official phases of water supply shortage situations and the implementation of voluntary and mandatory water conservation measures throughout the County in the event a shortage is declared. Nothing in this ordinance shall be construed to interfere with common law riparian or statutory water rights.

Section 2. Definitions.

(a) "Customer," as the term is used in this ordinance, shall mean any person using water for any Water District distribution system and for which either a regular charge is made or, in the case of bulk sales, a cash charge is made at the site of delivery.

(b) "Other Sources of Water," as the term is used in this ordinance, shall mean water that has not been introduced by the County into its water distribution system.

(c) "Raw Water Supplies," as the term is used this ordinance, shall mean all water potentially available to persons in the County of McCreary.

(d) "Treated Water," as the term is used in this ordinance, shall mean water that has been introduced by the District into its water distribution system, including water offered for sale. Uses of treated water are classified as follows:

Essential Water Uses (Class 1):

The following uses of water, listed by site or user type, are essential.

Domestic:

- water necessary to sustain human life and the lives of domestic pets, and to maintain minimum standards of hygiene and sanitation.

Health Care Facilities:
- patient care and rehabilitation, including related filling and operation of swimming pools.

Water Hauling:
- sales for domestic use where not reasonably available elsewhere.

Public Use:
- firefighting,
- health and public protection purposes, if specifically approved by health officials and the municipal governing body.

PUBLIC SERVICE COMMISSION
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Socially or Economically Important Uses of Water (Class 2):
The following uses of water, listed by site or user type, are socially or economically important.

Domestic:
- personal, in-house water use including kitchen, bathroom and laundry.

Water Hauling:
- non-domestic, when other sources are not reasonably available elsewhere.

Commercial and Civic Use:
- commercial car and truck washes,
- laundry mats,
- restaurants, clubs and eating places,
- schools, churches, motels/hotels and similar commercial establishments.

Outdoor Non-Commercial Watering:
- minimal watering of vegetable gardens,
- minimal watering of trees where necessary to preserve them.

Outdoor Commercial or Public Watering (using conservation methods and when other sources of water are not available or feasible to use):

- agricultural irrigation for the production of food and fiber or the maintenance of livestock,
- watering by arboretums and public gardens of national, state, regional or community significance where necessary to preserve specimens,
- watering by commercial nurseries at a minimum level necessary to maintain stock,
- watering at a minimum rate necessary to establish or maintain revegetation or landscape plantings required pursuant to law or regulation,
- watering of woody plants where necessary to preserve them,
- minimal watering of golf course greens.

Recreational:
- operation of municipal swimming pools and residential pools that serve more than 25 dwelling units.

Air Conditioning:
- refilling for startup at the beginning of the cooling season,
- makeup of water during the cooling season,
- refilling specifically approved by health officials and the municipal governing body, where the system has been drained for health protection or repair services.

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Non-Essential (Class 3):

Any waste of water, as defined herein, is non-essential. The following uses of water, listed by site or user type, are non-essential.

Public Use:
- use of fire hydrants (excluding Class I and Class II uses), including use of sprinkler caps, testing fire apparatus and fire department drills,
- flushing of sewers and hydrants except as needed to ensure public health and safety as approved by health officials and the municipal governing body.

Commercial and Civic Use:
- serving water in restaurants, clubs, or eating places, except by customer request,
- failure to repair a controllable leak,
- increasing water levels in scenic and recreational ponds and lakes, except for the minimum amount required to support fish and wildlife.

Ornamental Purposes:
- fountains, reflecting pools and artificial waterfalls.

Outdoor Watering:
- use of water for dirt control or compaction,
- watering of annual or non-woody plants, lawns, parks, golf course fairways, playing fields and other recreational areas,
- washing sidewalks, walkways, driveways, parking lots, tennis courts or other hard-surface areas,
- washing down buildings or structures for purposes other than immediate fire protection,
- flushing gutters or permitting water to run or accumulate in any gutter or street.

Outdoor Commercial or Public Watering:
- expanding nursery facilities, placing new irrigated agricultural land in production, or planting of landscaping except when required by a site design review process,
- use of water for dirt control or compaction,
- watering of lawns, parks, golf course fairways, playing fields and other recreational areas,
- washing sidewalks, walkways, driveways, parking lots, tennis courts or other hard-surface areas,
- washing down buildings or structures for purposes other than immediate fire protection,
- flushing gutters or permitting water to run or accumulate in any gutter or street.

Recreational uses other than those specified as Class II.

Non-commercial washing of motor and other vehicles.

Air Conditioning (see also Class II purposes):
- refilling cooling towers after draining.

(e) "Waste of Water," as the term is used in this ordinance, includes, but is not limited to (1) permitting water to escape down a gutter, ditch, or other surface drain, or (2) failure to repair a controllable leak of water due to defective plumbing.

(f) Water Shortage Response Phases:

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"Advisory," as the term is used in this ordinance, shall mean that conditions exist which indicate the potential for serious water supply shortages.

"Alert," as the term is used in this ordinance, shall mean that raw water supplies are consistently below seasonal averages, and if they continue to decline, may not be adequate to meet normal needs, or if demands are higher than normal for a consist period of time and supplies may not be adequate to meet normal needs.

"Emergency," as the term is used in this ordinance, shall mean that water supplies are below the level necessary to meet normal needs and that serious shortages exist in the area.

Section 3. Declaration of a Water Shortage Advisory. Whenever the governing body of the District finds that a potential shortage of raw water supplies is indicated, it shall be empowered to declare by resolution that a Water Shortage Advisory exists, and that the Water District shall, on a daily basis, monitor the supply and demands upon that supply. In addition, the Manager or Superintendent is authorized to call upon all water customers to employ voluntary water conservation measures to limit non-essential (Class 3) water use and eliminate the waste of water. This resolution shall be published in the newspaper of largest circulation in the county and may be publicized through the general news media or any other appropriate method for making such resolutions public.

Section 4. Declaration of a Water Shortage Alert. Whenever the governing body of the District finds raw water supplies to be consistently below seasonal averages, and if they continue to decline and may not be adequate to meet normal needs, it shall be empowered to declare by resolution that a Water Shortage Alert exists. The District shall continue to encourage voluntary water conservation measures defined under the Advisory declaration, and further shall impose a ban on all non-essential (Class 3) water uses for the duration of the shortage until it is declared to have ended by resolution of the governing body. Declaration of these resolutions shall follow the guide lines in Section 3 of this ordinance.

Section 5. Declaration of a Water Shortage Emergency. Whenever the governing body of the District finds that raw water supplies are below the level necessary to meet normal needs and that serious shortages exist, it shall be empowered to declare by resolution that a Water Shortage Emergency exists. Essential Uses (Class 1) shall be identified, in specific, as targets for voluntary conservation initiatives. Also, all Socially or Economically Important Uses (Class 2) shall be banned in addition to the Non-Essential Uses (Class 3). These restrictions shall be considered ongoing until the emergency is ended by resolution of the governing body. Declaration of these resolutions shall follow the guidelines in Section 3 of this ordinance.

Section 6. Shortage Water Rates. Upon the declaration of a water shortage as provided in Sections 3-5, the governing body of the District shall have the power to adopt shortage water rates, by ordinance and approved by the Kentucky Public Service Commission, designed to conserve water supplies. Such rates may provide for, but not be limited to: (a) higher charges per unit for increasing usage (increasing block rates); (b) uniform charges for water usage per unit of use (uniform unit rate); (c) extra charges for use in excess of a specified level (excess demand surcharge); or (d) discounts for conserving water beyond specified levels.

Section 7. Regulations. During the effective period of any water supply shortage as provided for in Section 3-5, the Water Superintendent is empowered to promulgate such regulations as may be necessary to carry out the provisions of this ordinance. Such regulations shall be subject to the approval of the governing body at its next regular or emergency meeting.

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Section 8. Penalties. Any person who violates the provisions of this ordinance, who fails to carry out the duties and responsibilities imposed by this ordinance, or who impedes or interferes with any action undertaken or ordered pursuant to this ordinance shall be subject to the following penalties.

(a) If the County Judge Executive, Water Superintendent, or other County Official or Officials charged with implementation and enforcement of this ordinance or a water supply shortage resolution learns of any violation of any water use restriction imposed pursuant to this ordinance, a written notice of the violation shall be affixed to the property where the violation occurred and mailed to the customer of record and to any other person known to the District who is responsible for the violation and order that it be corrected, cured, or abated immediately or within such specified time as the District determines is reasonable under the circumstances. If the order is not complied with, the District may terminate water service to the customer subject to the following procedures.

(1) The District shall give the customer notice by mail that, due to the violation, water services will be discontinued within a specified time and that the customer will have the opportunity to appeal the termination by requesting a hearing scheduled before the District governing body or a hearing officer appointed by the governing body;

(2) If such a hearing is requested by the customer charged with the violation, he or she shall be given a full opportunity to be heard before termination is ordered; and

(3) The governing body or hearing officer shall make findings of fact and order whether service should continue or be terminated.

(b) A fee of $50.00 shall be paid for the reconnection of any water service terminated pursuant to subsection (a). In the event of subsequent violations, the reconnection fee shall be $200.00 for the second violation and $300.00 for each additional violation.

(c) Any customer may also be charged with violation of this ordinance and prosecuted in District Court. Any person so charged and found guilty in District Court of violating the provisions of this ordinance shall be guilty of a Class B misdemeanor. Each day's violation shall constitute a separate offense. The penalty for an initial violation shall be mandatory fees of $100 which may not be adjusted by the District Court. In addition, such customer may be required by the Court to serve a definite term of confinement in the county jail which shall be fixed by the Court and which shall not exceed 30 days. The penalty for a second violation shall be a mandatory fine

of $300 which may not be adjusted by the District Court. In addition, such customer shall serve a definite term of confinement in the county jail, which shall be fixed by the Court and which shall not exceed 30 days. Penalties for additional violations shall be the same as the second violation.

Section 9. Severability. If any provision of this ordinance is declared unconstitutional, or the application thereof to any person or circumstance is held invalid, the constitutionality of the remainder of the ordinance and its applicability to other persons and circumstances shall not be affected thereby.

Section 10. Effective Date. This ordinance shall take effect immediately upon publication in the newspaper of largest circulation in McCreary County, Kentucky.

Section 11. Effective Period. This ordinance will remain in effect until terminated by action of the Fiscal Court.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
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Passed by the Fiscal Court this _____day of _____, 1999.

JUL 24 1999

PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)
BY: Stephen O Bay
SECRETARY OF THE COMMISSION

Jimmie W. Greene,
McCreary County Judge Executive

ATTEST:

Jo Kidd,
McCreary County Court Clerk