

THIS AGREEMENT, made and entered into this 15 day of January, 1996, by and between KENTUCKY TURNPIKE WATER DISTRICT, a public utility, organized and existing under the Laws of the Commonwealth of Kentucky; and NORTH NELSON WATER DISTRICT, a public utility, organized and existing under the Laws of the Commonwealth of Kentucky.

WHEREAS, Kentucky Turnpike Water District hereinafter referred to as "KTWD" and; North Nelson Water District hereinafter referred to as "NNWD", serve an area contiguous with each; and each is desirous of extending water mains to serve additional customers, who at the present time, are without a public water supply; and whereas in order to adequately serve these customers it will be necessary for NNWD to purchase water from KTWD; and in order for this to occur it will be necessary that KTWD extends its mains, and it being further necessary to serve these customers that certain territories now under the control of KTWD be stricken and annexed into territory to be served by NNWD; and further, whereas it is in the best interest of the customers and the parties hereto to provide public water at the lowest and best possible rate; and whereas in consideration of the foregoing and the mutual covenants and promises as set forth below the parties agree as follows:

1. KTWD will furnish water to NNWD for it to distribute to its customers both existing and proposed and does hereby agree to furnish said water at the minimal rate of 200 gallons per minute at a meter to be set with provisions for a future increase to 400 gallons per minute. The parties acknowledge and agree that this contract and agreement is contingent upon the NNWD purchasing a minimum of 4,000,000 gallons of water per month, and should less than 4,000,000 be purchased there shall be a minimum monthly charge of \$7,880.00, which is a charge equal to the purchase of 4,000,000 gallons. It is further acknowledged and agreed that each month is a separate billing cycle for purposes of establishing this minimum bill and minimum purchase. Any purchase of water in excess of 4,000,000 gallons per month will be billed at the rate of \$1.75 per 1,000 gallons, up to 8,000,000 gallons per month.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
MAY 13 1998
PURSUANT TO 807 KAR 5011,
SECTION 9 (1)
BY: Stephan O. Bell
SECRETARY OF THE COMMISSION
BY: [Signature]
EXECUTIVE DIRECTOR

PAGE ONE OF FOUR PAGES -
APR 13 2004

PURSUANT TO 807 KAR 5011,
SECTION 9 (1)
BY: [Signature]
EXECUTIVE DIRECTOR

2. It is further acknowledged, understood and agreed that KTWD shall set the meter and pit and shall be responsible for its maintenance and upkeep. In addition, the parties acknowledge that KTWD will extend mains to said meter for the purposes of supplying said water. It is further acknowledged that NNWD will construct a tank on territory to be annexed and to be served by it which is now in the territory of KTWD and shall be responsible for all maintenance and upkeep of said tank, and said capacity shall be in the minimum amount of 500 thousand gallons; and shall have minimum elevation at the overflow of 850 feet.

3. The rates set for the water shall be fixed for five (5) years and thereafter shall be adjusted according to actual expenditures incurred by KTWD which would cause an increase and/or decrease of the cost of water that it is supplying. The parties acknowledge and agree that KTWD is purchasing water from Louisville Water Company, and should there be any increase to KTWD in the cost of water purchased from and after the date of the execution of this Agreement, the amount of increase shall be immediately passed to NNWD in the same amount with no additional charges on behalf of KTWD.

4. Water that is sold by KTWD to NNWD shall be paid for and billed on a monthly basis at the rates provided above; and shall be paid within 10 days of the issuance of said bill. Any Late Charges for payment of same shall be at the rates established by the Tariff of KTWD.

5. The terms of this Agreement shall be for thirty (30) years commencing from the date that water is first supplied at the meter and continuing thereafter. It is acknowledged and agreed that the initial term will be equal to the initial term of any loan obtained by NNWD to secure ~~PUBLIC SERVICE COMMISSION OF KENTUCKY~~ the improvements necessary to serve the customers that it currently has and will obtain under ~~THE~~ agreement.

6. It is understood and agreed that this Agreement to sell and purchase ~~water is contingent~~ upon approval by the Public Service Commission of the Commonwealth of Kentucky, and contingent upon the Fiscal Courts of Bullitt and Nelson County agreeing to the annexation of territory by NNWD and reduction of territory of the KTWD and appropriate approval of the PSC; and that loans are approved and obtained by both KTWD and NNWD from the Kentucky Infrastructure authority which will allow each utility to finance the construction of the mains and tanks and pumps and meters as referred to herein.

MAY 13 1998

PURSUANT TO 807 KAR 5011.

SECTION 9(1)

BY: Shawn Bell

SECRETARY OF THE COMMISSION

APR 17 2004

PURSUANT TO 807 KAR 5011 SECTION 9(1)

BY: Shawn Bell EXECUTIVE DIRECTOR

which are necessary to consummate the sale and transfer of water, and it is further conditioned upon both utilities meeting all of the conditions as set out by the KIA in their loan documents.

7. The parties further agree that any meter that is established at the service point which will feed lines of NNWD shall be a two way meter and that the utilities acknowledge and agree that the tank that is to be constructed will allow water to back flow to mains of KTWD which will increase pressure and which they will serve additional customers in territory not annexed by NNWD.

8. Each utility shall be responsible for the maintenance of all lines and facilities within their respective territories effected by this Agreement.

9. This Contract and Agreement is further conditioned upon both water utilities obtaining the necessary certificate of need from the Public Service Commission, and further obtaining any and all necessary permits and plan approvals from Division of Water and any other regulatory agency which is required before water mains may be constructed.

10. The parties have attached hereto a proposed map showing the area to be stricken and the area to be annexed to the respective utilities. This map further shows the approximate location of the meter and pump to be set by the KTWD and the approximate location of the tank site which is to be installed by NNWD. It is further acknowledged that any and all customers who may attach directly to the main that is installed by KTWD will remain customers of KTWD, and that future customers who attach directly to the mains of NNWD shall thereafter remain customers of NNWD, unless modified by further written agreements. It is further acknowledged that any side roads or streets which are adjacent to the mains installed by the respective utilities herein shall be served by the utilities whose mains are used to furnish water to these additional lines, and that all customers on these lines shall be the customers of said utility.

11. This Contract shall remain open until the 16th day of July, 1996, for the purposes of fulfilling all the contingencies contained herein. This Contract may be further extended or modified if in writing and signed by the respective parties hereto.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
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WITNESS the hands of the parties the day and year first herein written.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 13 1998

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PURSUANT TO 807 KAR 5.011,
SECTION 9(1)

BY: Stephen O. Bell
SECRETARY OF THE COMMISSION

PURSUANT TO 807 KAR 5.011,
SECTION 9(1)
BY: Chris W. [Signature]
EXECUTIVE DIRECTOR

KENTUCKY TURNPIKE WATER DISTRICT

BY: Elmer Mills
ELMER MILLS, CHAIRMAN

NORTH NELSON WATER DISTRICT

BY: Harry Hurst
CHAIRMAN

STATE OF KENTUCKY

COUNTY OF BULLITT

I, the undersigned, a Notary Public, within and for the state and county aforesaid, do hereby certify that on this day the foregoing instrument was produced to me in said state and county, and was signed, subscribed, sworn, acknowledged and delivered, by ELMER MILLS as CHAIRMAN of KENTUCKY TURNPIKE WATER DISTRICT; and by Harry Hurst as CHAIRMAN of NORTH NELSON WATER DISTRICT, to be their lawful act and deed for the purposes therein stated.

WITNESS my hand this 15 day of January, 1996.
My commission expires: 5/06/96

Jessie L. Ritchie
NOTARY PUBLIC, STATE AT LARGE, KENTUCKY PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

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MAY 13 1998

PURSUANT TO 807 KAR 5.011,
SECTION 9(1)
BY: Sharon O. Bell
SECRETARY OF THE COMMISSION

APR 11 2004

PURSUANT TO 807 KAR 5.011,
SECTION 9(1)
BY: Charles D. ...
EXECUTIVE DIRECTOR

STATE OF KENTUCKY

COUNTY OF BULLITT

I, the undersigned, a Notary Public, within and for the state and county aforesaid, do hereby certify that on this day the fore-going instrument was produced to me in said state and county, and was signed, subscribed, sworn, acknowledged, and delivered by ELMER MILLS as CHAIRMAN of KENTUCKY TURNPIKE WATER DISTRICT, to be his lawful act and deed for the purposes therein stated.

WITNESS my hand this 18 day of JANUARY, 1996.

My commission expires: 6-3-99

[Signature]
NOTARY PUBLIC, STATE AT LARGE, KENTUCKY

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 13 1998

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

BY: [Signature]
SECRETARY OF THE COMMISSION

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

APR 17 2004

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

BY: [Signature]
EXECUTIVE DIRECTOR

STATE OF KENTUCKY

COUNTY OF BULLITT

I, the undersigned, a Notary Public, within and for the state and county aforesaid, do hereby certify that on this day the foregoing instrument was produced to me in said state and county, and was signed, subscribed, sworn, acknowledged, and delivered by ELMER MILLS as CHAIRMAN of KENTUCKY TURNPIKE WATER DISTRICT, to be his lawful act and deed for the purposes therein stated.

WITNESS my hand this 18 day of JANUARY, 1996.

My commission expires: 6-3-99

NOTARY PUBLIC, STATE AT LARGE, KENTUCKY

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 13 1998

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

BY: Stephan O Bell
SECRETARY OF THE COMMISSION

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

APR 13 2004

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

BY: [Signature]
EXECUTIVE DIRECTOR