

EXTENSION APPLICATION
/ FOR
U. S. 60 WATER DISTRICT OF SHELBY &
FRANKLIN COUNTIES, KENTUCKY

APPLICANT(S): Flying "J", Inc.
50 West 990 South, Brigham City, UT 84302 (801) 734-6473
 (Address) (Phone No.)

NOTE: All Applicants must sign

AREA TO BE SERVED: Development at I-64/KY 395 intersection

SERVICE APPLIED FOR: Distribution Line Extension _____
 Distribution Flush Hydrant _____
 Distribution Upgrading _____
 Distribution Relocation _____
 Other (describe) Distribution Line Upgrade

ESTIMATES: Estimated Water Line Size 8-inch
 Estimated Project Cost \$ 134,550.00
 Estimated Footage 10,500
 Other (describe) _____

EXHIBITS: Map or plat showing streets,
 lots, buildings, proposed
 service route, and easements,
 a copy of which is attached
 hereto and made a part hereof,
 and marked "Exhibit A" for
 identification
 Other (describe) Estimate

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

SEP 27 1999

Sheets 1 ~~of 2~~ of 2 PURSUANT TO 807 KAR 5011,
SECTION 9 (1)

BY: Stephan O. Butt
SECRETARY OF THE COMMISSION

CONSTRUCTION COMMENTS: _____

AGREEMENT:

1. Applicant applies for a water line extension upon the terms and conditions set forth in this contract.
2. Applicant agrees to provide without cost to the District any properly signed recordable easements required by the District for the installation and maintenance of the District's water transmission or distribution lines, existing and future.
3. The water facilities constructed hereunder shall at all times be owned and maintained by the District. The District shall have the right to extend the facilities without compensation to Applicant or the consent of Applicant. The District shall have the right to make service connections thereto without the consent of the Applicant, and subject to the District's construction rebate agreement as hereinafter provided.
4. Upon approval by the District's engineer, manager, and board of commissioners, the manager and engineer will design and make a cost estimate of the project. The Applicant will, prior to construction, make a deposit to the District's escrow construction account of the entire estimated project cost. If the actual construction cost exceeds the estimate, Applicant will promptly pay the difference. If the actual construction cost is less than the estimate, the District will refund to Applicant any overpayment plus interest at the rate of 6% per annum on the amount of the excess deposit for the period beginning 90 days after completion of all construction, installation and servicing work in connection with the project and ending with the date of payment of refund.
5. Applicant acknowledges that the project cost will include the District's reasonable supervision, engineering, legal and accounting charges attributable to this project.

6. All projects having estimated construction costs exceeding \$10,000.00, shall be bid as required by state law. All smaller projects will be constructed by the District or the District's contractor. All contractors will sign the District's standard construction contract.

7. Applicant grants District a perpetual easement over Applicant's land to survey, plan, install, construct, maintain, repair, and remove existing and future water pipelines, appurtenant facilities, and meters, the right to read those meters, and the right of ingress and egress for these purposes over Applicant's property.

8. All construction, labor and materials must be in accordance with the District's specifications. A payment and performance bond will be required.

9. The facilities will be constructed in accordance with "Exhibit A." If there is no "Exhibit A" to this contract, the extension will be constructed within the District's easements upon Applicant's property. Under no circumstances will construction begin on Applicant's property until Applicant has granted District all necessary and proper recorded easements.

10. The District agrees that it will perform its obligations under this contract with reasonable diligence, and that construction will begin as soon as reasonably possible. In the event that the construction called for by this contract cannot begin within 6 months from the date of this contract, then either the District or the Applicant may terminate this agreement by written notice to the other at which time the District will refund the deposit less any cost incurred.

11. This agreement shall be valid and binding on the Applicant only when executed by its Chairman. Any deposit made with application prior to such signature shall not be construed as an acceptance hereof.

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DEPARTMENT OF REVENUE

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12. The District shall determine the total cost of the water main extension (exclusive of the tap on fee). The cost shall be contributed equally by those Applicants desiring service on the main extension. Each Applicant (customer) will also be required to pay the District's approved "Tap-on fee" for a meter connection to the main extension.

PUBLIC SERVICE COMMISSION
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KAR 8011
M.U.

For a period of ten years after the project has been completed and placed in service, each additional commercial customer directly connected to that portion of the water main constructed under this agreement (not including customer connections to further extensions or branches thereof) will be required to contribute to the cost of that extension based on a recomputation of each customer's contribution as set out above. Existing and new single family residential users shall not be required to contribute to the cost of the extension nor shall they be eligible for any refund. The District must refund to those customers that have previously contributed to the cost of each main extension that amount necessary to reduce their contribution to the currently calculated amount for each customer connected to that extension, provided, however, that the total amount returned shall not exceed the original construction cost, without interest. All customers directly connected to each main extension for a ten year period after it is placed in service are to contribute equally to the cost of the construction of the water main extension. In addition, each customer must pay the approved tap on fee applicable at the time of their application for the meter connection, which is not refundable and may be changed during the refund period. After the ten 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, and all or any part of the construction cost not refunded within said ten year period shall become the property of the District. All refunds shall be made on an annual basis and without interest.

13. If this application is for extension of water service to

a subdivision (a subdivision is presumed by the existence of a plat), the Applicant agrees that no refund will be paid for any customer located within that subdivision, it being expected that the subdivider will recoup the cost of this extension in the sale of the subdivision lots. The Applicant further agrees that the construction contribution for each additional customer not located within said subdivision, will be computed using the number of planned customers in that subdivision. (For example, if there are 19 single-family lots in the subdivision and a new customer across the road but not in the subdivision applies for service from the water main extension, the construction contribution from that new customer will be calculated by dividing the original construction cost by 20.)

14. If the District has contributed company funds to assist in this extension, each Applicant hereby assigns to the District that Applicant's construction rebate refund to the extent necessary to first repay the District's construction contribution.

15. If Applicant's account becomes delinquent, Applicant agrees to pay the District's attorney fees and costs incurred in collecting that account. Any delinquent account will accrue Twelve Percent (12%) interest. Venue for any action filed on this contract shall be in Shelby County, Kentucky.

16. Any notice given hereunder shall be deemed sufficient if in writing and sent by certified mail to District at P.O. Box 97, Bagdad, Kentucky 40003, and to Applicant at 50 West 990 South, Brigham City, UT 84302

17. By signature hereon, Applicant acknowledges that he/she has read the foregoing, received a copy thereof, agrees to be bound by same, and acknowledges that this is the entire agreement between the parties and that there are no oral agreements between the parties.

Date: 8/14/98

APPLICANT: Flying "J", Inc.
By: [Signature]
Title: VP

Additional Applicants, if any (sign on back if necessary)

Date: 8-18-98

U. S. 60 WATER DISTRICT OF SHELBY & FRANKLIN COUNTIES, KENTUCKY
By: [Signature]
Bill Eggen, Chairman
PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE SEP 27 1999

FOR DISTRICT USE ONLY:

Received this 18th day of August, 1998,
from Applicant for Escrow Construction:
Completed Cost of Project
Balance due from (to) Applicant

PURSUANT TO 807 KAR 5:011, SECTION 9(1)
BY: [Signature]
SECRETARY OF THE COMMISSION
\$ 134,550.00
\$ _____
\$ _____

Completed Footage of Project _____
District Contribution (if any) _____