

WATER USER AGREEMENT - SPECIAL CONTRACT

This Agreement entered into between CANNONSBURG WATER DISTRICT whose address is 1606 Cannonsburg Rd., Ashland, Kentucky, 41102, party of the FIRST PART, and the BIG SANDY WATER DISTRICT, 18200 State Route 3, Catlettsburg, Kentucky, Boyd County, party of the SECOND PART.

WHEREAS, the party of the FIRST PART desires to purchase water from the party of the SECOND PART, the party of the FIRST PART enters into this Water User Agreement as required by the BYLAWS of the party of the SECOND PART and as defined in 807 KAR 5:011, Tariffs, Section 13, Special Contracts.

NOW THEREOF, in consideration of the mutual covenants, promises, and agreements herein contained, it is hereby understood and agreed by the parties hereto as follows:


The party of the SECOND PART shall furnish, subject to the limitations set out in its BYLAWS and Rules and Regulations now in force or hereafter amended, such quantity of water as the party of the FIRST PART may desire for domestic use in connection with property to be served by this Agreement, so long as such quantities are in a reasonable amount that will not interfere with SECOND PARTY'S ability to furnish water to its own customers. The property to be serviced is known as Dog Fork and Laurel Ridge.

The party of the FIRST PART shall install and maintain at its own expense a service line which shall begin at the meter and extend to the place of use. The location of water meters on the property will be determined by mutual agreement of the parties, which shall be nearest point to the water main of purchaser's property. The party of the SECOND PART shall continue to furnish and maintain a cutoff valve and a 3" water meter. The party of the SECOND PART shall have exclusive right to use such cutoff valve and water meter. Any future location of connections and meters to this property shall be determined by mutual agreement. The party of the FIRST PART agrees to pay a connection fee equal to the actual cost.

The MINIMUM BILL for service to the party of the FIRST PART under this Agreement shall be \$1.15, plus \$.42 centers (Big Sandy Water District's present cost from Kenova Water) per thousand gallons of water per month on the total of all meters.

The party of the FIRST PART agrees to comply with and be bound by the Articles, BYLAWS, Rules and Regulations of the party of the SECOND PART now in force or as hereafter duly a legally supplemented, amended, or changed. The party of the FIRST PART agrees to pay for water at such time and place as shall be determined by the party of the SECOND PART, and agrees to the imposition of such penalties for non-compliance as are now set out in the party of the SECOND PART'S BYLAWS and Rules and Regulations, or which have been or hereafter shall be adopted and imposed by the party of the SECOND PART.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EXECUTIVE DIRECTOR
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By 
Executive Director

The party of the FIRST PART shall agree to any further rate changes in the cost of purchased water incurred by Big Sandy Water District from their supplier that shall be passed through to Cannonsburg Water District in accordance with 807 KAR 5:068.

In the event that the Big Sandy Water District must allocate and/or limit water use to the Cannonsburg Water District for if more than two (2) days, then they will have the option of reconnecting their own water system and not be obligated to a minimum bill for the next 30 day billing period, or until water is available from the Big Sandy Water District on a continuous basis as previously provided before change in systems.

The contract shall remain in effect for 20 years, beginning the 1 day of May, 2005 and ending on the 1 day of May, 2025. This contract may be renewed at the option of the parties, subject to renegotiation of rates applicable at the time of the renewal and may be renewed for 10 year intervals.

The failure of the party of the FIRST PART to pay water charges duly imposed shall result in the automatic imposition of the penalties in accordance with 807 KAR 5:006, Section 11 (3) and the Big Sandy Water District's tariff rates as approved by the Public Service Commission.

The party of the FIRST PART agrees to grant to the party of the SECOND PART, its successors and assigns, a perpetual easement in, over, under, and upon land owned by the party of the FIRST PART with the right to erect, construct, install and lay, and thereafter use, operate, inspect, repair, maintain, replace and remove water pipelines and appurtenant facilities together with the right to utilize adjoining lands belonging to the party of the SECOND PART for the purpose of ingress and egress from the said lands.

IN WITNESS WHEREOF, we have executed this Agreement this 12th day of April, 2005.

WITNESS: Jose A. Bress

WATER USER Cannonsburg Water District
(PARTY OF THE FIRST PART)

BY: [Signature]
Chairman

WITNESS: Robert McLaughlin

BIG SANDY WATER DISTRICT

BY: Paul E. [Signature]
TITLE: Chairman

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
5/27/2005
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By [Signature]
Executive Director