



ROCKBRIDGE PROJECT  
SPECIAL EXTENSION AGREEMENT AND  
NEW METER CONTRACT, cont'd

14. Applicant acknowledges that the water distribution main from which Applicant is to receive water service is subject to the following Special Extension Agreement, which has been approved by the Kentucky Public Service Commission, and which shall be a covenant between the District and all of the District's customers who receive their water service from the distribution main constructed under this Special Extension Agreement.

15. The distribution line subject to this Special Extension Agreement is generally described as the line running along Rockbridge Road in Shelby County, plus the connecting line cross-country to the existing water main along Woodlawn Road.

16. Distribution line extensions are normally paid for in lump sum, up front contributions by the initial customers to be located on that line. Applicant acknowledges that this Special Extension Agreement is an alternate method of financing the subject line in order to avoid payment of an initial lump sum construction charge.

17. The estimated project cost of the Rockbridge Road project is \$131,015.25. The exact project cost will be available at the District office. It is anticipated that 20% of the project cost, in the amount of \$23,941.00, will be paid by a grant from Shelby County Fiscal Court, and part of the project will be paid by \$11,000.00 in tap-on fees. The District has arranged to finance the balance of the project cost, in the amount of \$96,074.00, by a loan from the CoLT leasing trust amortized over a twenty year period (with a balloon payment due in ten years) at approximately 5.8% interest. A portion of this loan will be repaid by the District, and the balance of this loan will be paid by all customers located on the subject line in the manner set forth herein.

18. Applicant agrees that, in addition to Applicant's regular water bill, Applicant will pay a surcharge of \$12.00 per month for each meter. The District will place this surcharge in a special federally insured, interest bearing account from which the loan payments will be made. All customers receiving water service from the subject line will be required to begin paying this surcharge with their initial monthly water bill. The surcharge will continue to be collected by the District from all such customers until it is estimated that the District has accumulated sufficient funds in the escrow account to make the remaining loan payments. At this point the surcharge will be suspended for all customers. In the event the escrow account does not contain sufficient funds to make all loan payments, the surcharge will be reinstated by the District for all customers for a sufficient time to generate additional escrow account funds to repay the loan. It is anticipated, although not guaranteed, that the surcharge will continue for approximately twenty years. Applicant understands that the duration of the surcharge depends upon many factors, including the actual cost of construction, the interest collected by the District on the escrow account, and the number of meters paying the surcharge at any given time. Applicant will pay the \$12.00 surcharge, plus the Applicant's regular water bill, for a period of 20 years or the time during which the surcharge is in effect, whichever is less. This Agreement is assumable by any subsequent successor in title to Applicant's premises.

19. The District will not make any contributions toward the construction cost under the fifty foot rule set forth in 807 KAR 5:066 §12 and the District's Rules and Regulations. The Applicant will not be entitled to any refund of any portion of the construction costs of the distribution line extension.

\* \* \*

20. By signature hereon, Applicant acknowledges that he/she has read this entire document, 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.

WITNESS the hands of the parties this \_\_\_\_\_ day of \_\_\_\_\_, 199\_\_\_\_\_.

\_\_\_\_\_  
Applicant PUBLIC SERVICE COMMISSION, 60 Water District of  
OF KENTUCKY Shelby & Franklin Counties, KY  
EFFECTIVE

\_\_\_\_\_  
Applicant's Social Security No. By: \_\_\_\_\_  
APR 17 1996 Title: \_\_\_\_\_

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[Revised 2/96]

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

BY: Phyllis Lammie  
DIRECTOR, RATES & RESEARCH DIV.