

A G R E E M E N T

THIS AGREEMENT made and entered into this 24 day of November, 1965, by and between KENTUCKY WATER SERVICE COMPANY, INC., hereinafter referred to as "Water Company," a Kentucky corporation acting pursuant to authority and direction heretofore granted by its Board of Directors as its duly authorized and empowered governing body, and the PULASKI COUNTY WATER DISTRICT NO. 2, hereinafter referred to as "Water District," a water district duly organized and existing pursuant to the provisions of Chapter 74 of the Kentucky Revised Statutes, acting by and through its Commission as its duly authorized and empowered governing body:

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

W I T N E S S E T H:

SEP 22 1994

THAT WHEREAS, the Water Company is engaged <sup>PURSUANT TO 807 KAR 5011,</sup> ~~SECTION 11~~ acquisition, treatment, distribution, and sale of pure and <sup>BY: *[Signature]*</sup> ~~potable~~ water, and is presently serving the City of Somerset, Kentucky, and the environs thereof, (but not the area encompassed by the geographic boundaries of the Water District) and said Water Company has adequate facilities and water capacity in and about the area of Somerset, Kentucky, to extend its facilities and services, and to sell treated water on a substantial basis; and

WHEREAS, the Water District was established by the Pulaski County, Kentucky, Court on November 29, 1962, for the purpose of furnishing an adequate supply of pure and potable water for domestic, culinary, agricultural, commercial and industrial use to the citizens of said Water District; and

WHEREAS, the said Water District has not installed said equipment, pipes, or facilities to acquire or distribute said water as provided, and many people, motels and industries located within

the geographic boundaries of said Water District have been requesting service by and from the Water Company; and

WHEREAS, the Water Company filed an application on November 9, 1965, with the Public Service Commission of Kentucky, Case No. 4612, for authority to construct one mile of six inch iron main and to develop one square mile of service area beginning with the west end of its present distribution system and extending westward to the Hillcrest Motel, and a notice of hearing of said application was mailed to all interested parties including the Water District on November 10, 1965, which assigned the date of hearing to be November 22, 1965; and

WHEREAS, the Water District verbally protested the application to the Water Company, and negotiations were entered into between the officials of the two companies, and by agreement of both parties the hearing assigned for November 22, 1965, was continued indefinitely by order of the Commission dated November 19, 1965, and as a result of the negotiations an agreement was reached between the interested parties;

NOW THEREFORE, FOR AND IN CONSIDERATION OF THE PREMISES AND THE MUTUAL COVENANTS AND UNDERTAKINGS HEREIN DESCRIBED, THE PARTIES HERETO HEREBY COVENANT AND AGREE, EACH WITH THE OTHER, AS FOLLOWS:

Section 1. The Water District will not protest the said application of the Water Company, provided this agreement is approved by the Commission.

Section 2. The Water Company shall construct a six-inch cast iron main about seven-tenths (7/10) of a mile westward along or near Highway Number 80 from West Somerset only to the west boundary line of the plant of the Cumberland Wood and Chair Corporation, instead of the Hillcrest Motel, and develop a service area of approximately one-half (1/2) mile on both the north and south sides of said highway, with associated facilities required for furnishing water to water users, which will be developed and watered.

PUBLIC SERVICE COMMISSION  
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PURSUANT TO 807 KAR 5.011,  
SECTION 9(1)

BY: James C. Hill  
FOR THE PUBLIC SERVICE COMMISSION

in the normal course of business as the various customer connections become feasible. The location of the main and the service area described is shown on Exhibit B filed with the application of the Water Company, but amended as herein provided.

Section 3. If at any time within five (5) years from and after the date of this agreement, the Water District has secured the necessary finances to complete the construction, acquisition, and put in operation its mains and distribution system as required and planned by it, then and in such event the Water Company agrees that it will sell and convey all its improvements and facilities so constructed by it within the geographical boundaries of the Water District to the said Water District for a consideration hereinafter set out, and the Water District agrees that it will purchase said described improvements and facilities and pay the Water Company therefor, a consideration as hereinafter set out and agreed upon between the parties as follows: A sum equal to the total cost of said described improvements and facilities to the Water Company, which includes acquisition of land rights, all materials and labor as shown by the records of the Water Company, and then add to the said total cost sum, a further sum of ten (10%) percent of the said total cost sum, which total sum will represent the consideration for which the Water Company agrees to sell and the Water District agrees to pay therefor.

Section 4. If the Water District at any time within five (5) years from and after the date of this agreement should secure the necessary finances and complete the construction and acquisition and be prepared to operate its distribution system, then and in such event the Water District agrees to purchase all its water requirements from the Water Company, and the Water Company agrees to sell to the Water District its said water requirements which it covenants and agrees will be pure, treated water, the price of said water to be in accordance with the following schedule:

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BY: *Jason C. [Signature]*  
FOR THE PUBLIC SERVICE COMMISSION

RATE (net)

FIRST	1,000 gallons used per month	-	\$2.50 (Minimum)
Next	1,000 gallons used per month	-	.95 per M gallons
Next	4,000 gallons used per month	-	.90 per M gallons
Next	19,000 gallons used per month	-	.80 per M gallons
Next	25,000 gallons used per month	-	.75 per M gallons
Next	25,000 gallons used per month	-	.65 per M gallons
Next	25,000 gallons used per month	-	.55 per M gallons
Next	100,000 gallons used per month	-	.40 per M gallons
All Over	200,000 gallons used per month	-	.35 per M gallons

MINIMUM MONTHLY CHARGES

5/8 or 3/4 inch meter	-	\$ 2.50
1 inch meter	-	3.35
1-1/4 or 1-1/2 inch meter	-	3.85
2 inch meter	-	4.60
3 inch meter	-	7.10
4 inch meter	-	10.60
6 inch meter	-	20.10

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BY: Quentin B. Reed  
FOR THE PUBLIC SERVICE COMMISSION

Service will be supplied under Company's General Rules & Regulations, subject to regulations of Public Service Commission.

The foregoing schedule of rates for treated water furnished by the Water Company is stated by the Water Company to be its approved, commercial schedule for treated water.

The Water Company shall locate its meter at the end of its present six-inch main at West Somerset, Kentucky.

Section 5. This Agreement shall remain in full force and effect for a term of thirty (30) years from and after the Water Company first begins to sell and deliver water to the Water District, if and when it so begins. As soon as the Water Company begins to sell and deliver its water to the Water District, and the thirty-year (30) term begins, it is agreed that the parties hereto will execute a Supplemental Agreement setting forth the exact commencement date on a form substantially as provided in Exhibit A attached hereto.

Section 6. This Agreement shall inure to the benefit of, and shall be binding upon the parties hereto and their successors in interest, grantees, assignees and transferees.

IN TESTIMONY WHEREOF, the parties have hereunto set their hands and seals as of the day and year first above written.

PULASKI COUNTY WATER DISTRICT NO. 2

BY: Charles F. Pierce  
Charles F. Pierce  
Chairman of the Commission

(SEAL)

ATTEST:

Linville Tarter  
Linville Tarter  
Secretary of the Commission

W. M. Ragle  
Member

KENTUCKY WATER SERVICE COMPANY, INC.

BY: M. E. Graybeal  
M. E. Graybeal  
Vice President

(SEAL)

ATTEST:

Cornelius W. Grafton  
Cornelius W. Grafton  
Secretary

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

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PURSUANT TO 807 KAR 5011,  
SECTION 2(1)

BY: Gordon Smith  
FOR THE PUBLIC SERVICE COMMISSION

STATE OF KENTUCKY  
COUNTY OF PULASKI....SCT.

I, the undersigned, a Notary Public in and for the State and County aforesaid, do hereby certify that on this day the foregoing AGREEMENT was produced before me in my said County and State by CHARLES F. PIERCE as Chairman of the Commission, and LINVILLE TARTER, M. Ragle, Member, as Secretary of the Commission, of PULASKI COUNTY WATER DISTRICT NO. 2, a Water District duly organized and existing under and by virtue of the provisions of Chapter 74 of the Kentucky Revised Statutes, a party thereto, being each personally known to me and known

personally by me to be such officers, and to be the same persons who executed as such officers, respectively, the within and foregoing instrument of writing, and such persons duly acknowledged the execution of the same to be their voluntary act and deed as such officers of said Pulaski County Water District No. 2, and the official act and deed of said Pulaski County Water District No. 2 by and through them as its duly authorized officers.

WITNESS my hand and Notarial Seal this 30 day of November, 1965. My Commission expires January 7 - 1968.

*Marjette Zarill*  
Notary Public  
Pulaski County, KY  
PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

(SEAL)

SEP 22 1994

STATE OF KENTUCKY  
COUNTY OF JEFFERSON.....SCT.

PURSUANT TO 807 KAR 5011,  
SECTION 9(1)

I, the undersigned, a Notary Public ~~in and for the State~~ and County aforesaid, do hereby certify that on this day the foregoing AGREEMENT was produced before me in my said County and State by M. E. GRAYBEAL, as Vice President, and CORNELIUS W. GRAFTON as Secretary of KENTUCKY WATER SERVICE COMPANY, INC., a Kentucky corporation and a party thereto, being both personally known to me and known personally by me to be such officers, and to be the same persons who executed as such officers, respectively, the within and foregoing instrument of writing, and such persons duly acknowledged the execution of the same to be their voluntary act and deed as such officers of said Kentucky Water Service Company, Inc., and the official act and deed of said Kentucky Water Service Company, Inc., by and through them as its duly authorized officers.

WITNESS my hand and Notarial Seal this 29 day of November, 1965. My commission expires December 19, 1967.

*Cornelius W. Grafton*  
Notary Public, Jefferson County, Ky.

(SEAL)

I hereby certify that this instrument has been drafted in the law offices of Smith & Blackburn, Somerset, Kentucky

EXHIBIT A

SUPPLEMENTAL AGREEMENT

IT WAS AGREED by and between KENTUCKY WATER SERVICE COMPANY, INC., and PULASKI COUNTY WATER DISTRICT NO. 2 in a certain AGREEMENT dated the \_\_\_\_\_ day of November, 1965, and recorded in Contract Book \_\_\_\_\_, page \_\_\_\_\_, of the Clerk's Office of the Pulaski County Court, Kentucky, and made a part hereof by reference as fully as if set out herein, that a "Supplemental Agreement" be executed between the parties setting forth the exact commencement date of the thirty-year (30-year) term.

IT IS NOW AGREED BETWEEN THE PARTIES HERETO that the Water Company commence to sell and deliver its water to the Water District on the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, and that the term of the "Agreement" hereinbefore referred to is thirty (30) years after said \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

IN TESTIMONY WHEREOF, the parties have hereunto set their hands and seals this \_\_\_\_\_ day of \_\_\_\_\_, 1965.

PULASKI COUNTY WATER DISTRICT NO. 2

BY: \_\_\_\_\_  
Charles F. Pierce  
Chairman of the Commission  
PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

(SEAL)

ATTEST:

SEP 22 1964

\_\_\_\_\_  
Linville Tarter  
Secretary of the Commission

PURSUANT TO 807 KAR 5011,  
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BY: *Jordan B. Hall*  
FOR THE PUBLIC SERVICE COMMISSION

\_\_\_\_\_  
Member

KENTUCKY WATER SERVICE COMPANY, INC.

(SEAL)

BY:

*M. E. Graybeal*  
M. E. Graybeal  
Vice President

attest;

*Cornelius W. Grafton*  
Cornelius W. Grafton, Secretary

STATE OF KENTUCKY

COUNTY OF PULASKI.....SCT.

I, the undersigned, a Notary Public in and for the State and County aforesaid, do hereby certify that on this day the foregoing SUPPLEMENTAL AGREEMENT was produced before me in my said County and State by CHARLES F. PIERCE as Chairman of the Commission, and LIN- and M. Ragle, Member, VILLE TARTER, as Secretary of the Commission, of PULASKI COUNTY WATER DISTRICT NO. 2, a Water District duly organized and existing under and by virtue of the provisions of Chapter 74 of the Kentucky Revised Statutes, a party thereto, being both personally known to me and known personally by me to be such officers, and to be the same persons who executed as such officers, respectively, the within and foregoing instrument of writing, and such persons duly acknowledged the execution of the same to be their voluntary act and deed as such officers of said Pulaski County Water District No. 2, and the official act and deed of said Pulaski County Water District No. 2 by and through them as its duly authorized officers.

WITNESS my hand and Notarial Seal this \_\_\_\_\_ day of November, 1965. My Commission expires \_\_\_\_\_.

(SEAL)

Notary Public  
Pulaski County, Kentucky  
PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

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STATE OF KENTUCKY

COUNTY OF JEFFERSON.....SCT.

I, the undersigned, a Notary Public in and for the State and County aforesaid, do hereby certify that on this day the foregoing SUPPLEMENTAL AGREEMENT was produced before me in my said County and State by M. E. GRAYBEAL, as Vice President, and CORNELIUS W. GRAFTON as Secretary of KENTUCKY WATER SERVICE COMPANY, INC., a Kentucky corporation and a party thereto, being both personally

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BY: *Justin P. [Signature]*



known to me and known personally by me to be such officers, and to be the same persons who executed as such officers, respectively, the within and foregoing instrument of writing, and such persons duly acknowledged the execution of the same to be their voluntary act and deed as such officers of said Kentucky Water Service Company, Inc., and the official act and deed of said Kentucky Water Service Company, Inc., by and through them as its duly authorized officers.

WITNESS my hand and Notarial Seal this 29<sup>th</sup> day of November, 1965. My commission expires December 19-1965.

*Lillian Steiner*  
Notary Public  
Jefferson County, Kentucky  
*State Department of State*

(SEAL)

I hereby certify that this instrument  
has been drafted in the law offices of  
S. N. Blackburn, Somerset, Kentucky  
by \_\_\_\_\_

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

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BY: *Justin C. [Signature]*  
FOR THE PUBLIC SERVICE COMMISSION