

AGREEMENT

This Agreement is entered into and effective this 4 day of ~~August~~^{Sept}, 2007 by and between the Paintsville Utilities Commission ("PUC") whose address is 137 Main Street, Post Office Box 630, Paintsville, Kentucky 41240 and Thelma Waste Control, Inc. ("TWC") whose address is Post Office Box 327, Thelma, Kentucky 41260.

WITNESSETH:

WHEREAS, pursuant to KRS 96.930, the General Assembly of the Commonwealth of Kentucky has declared the use of water, in any manner tending to contaminate it, raises a correlative public duty to provide for the proper disposition thereof according to the highest public health standards, and that such public duty includes full responsibility for paying the cost of such disposition; and

WHEREAS, TWC is a corporation vested with control, operation and maintenance of the sewer facilities located within the community of Thelma, Kentucky in Johnson County ("Thelma"), and more particularly the All Electric, Fraley and Hughes Subdivisions; and

WHEREAS, the PUC is the authorized entity that supplies water to residents within the above-described communities; and

WHEREAS, certain residents in the above-described community have demonstrated a refusal of timely pay for sewer services to TWC; and

WHEREAS, KRS § 96.932 provides that in the best interests of public health, safety and general welfare that TWC has the right to enforce collection of lawful rates and charges for the use of municipal sewer facilities through PUC by requiring that water service be discontinued until payment is made or satisfactory arrangement is reached; and



WHEREAS, TWC has elected to exercise its statutory right to require PUC to disconnect water service to residents for non-payment of sewer services to TWC; and

WHEREAS, KRS § 96.940 authorizes PUC and TWC to enter into a contract relating to the payment by TWC to PUC for services performed by PUC with respect to the collection of sewer charges; and

NOW, THEREFORE, in consideration of the payments, mutual covenants and promises as set forth herein, the Parties hereto agree as follows:

SECTION ONE

Term

The term of this Agreement shall be for a period of one (1) year and shall automatically renew each year thereafter for a successive one-year term. Either party may cancel this Agreement, with or without cause, by providing written notice not less than thirty (30) days prior to the anniversary date of this Agreement.

SECTION TWO

Disconnection Procedure

- a. PUC will be, from time to time, directed by TWC to discontinue water service to certain customers who fail to timely pay charges for sewer services provided by TWC.
- b. TWC shall provide PUC written notice ("TWC's Notice") to discontinue water service to the premises designated in the notice.
- c. TWC's Notice shall specifically identify the individual or entity and physical location of the premises to which PUC is to discontinue water service.



SECTION THREE

Compensation to PUC

a. TWC shall pay PUC the sum of Twenty Five Dollars (\$25.00) for each event in which PUC disconnects water service pursuant to a TWC Notice. TWC shall pay PUC the sum of Twenty Five Dollars (\$25.00) for each event in which PUC connects water service at TWC's request.

b. In instances in which PUC has received a notification from TWC and arrived at the premises in order to perform services but is directed by TWC not to discontinue service or reestablish service, PUC shall be entitled to receive the payments set forth above.

SECTION FOUR

Indemnity

TWC shall indemnify and hold harmless PUC for any and all claims caused, in whole or in part, by TWC's negligence. It is further agreed and understood that TWC shall fully and completely and unconditionally indemnify and hold harmless PUC for any claims or causes of action asserted against PUC for discontinuing or reestablishing service under this Agreement.



SECTION FIVE

Liability for Failure to Discontinue Service

In the event PUC wrongfully fails or refuses to discontinue water service pursuant to a TWC Notice and continues such failure or refusal for a period of thirty (30) days after receipt of the notice, PUC shall be liable to TWC for the amount due from TWC's customer involved from the effective date of the TWC Notice.

SECTION SIX

General Provisions

- a. If any provision of this Agreement is determined to be unenforceable that determination shall not affect the enforceability of any other provisions of this Agreement.
- b. This Agreement contains the entire agreement between the parties, and no statements, promises or inducements made by either party or agent of either party that are not contracted in this written contract shall be valid or binding; this Agreement may not be enlarged, modified or altered except in writing signed by the parties and indorsed on this Agreement.
- c. It is mutually understood and agreed that this Agreement shall be governed by the laws of the Commonwealth of Kentucky, both as to interpretation and performance.
- d. The Parties agree this Agreement is the result of mutual changes and the Rule of Construction against the drafter shall not apply.



In witness whereof, the Parties have executed this Agreement the day and year first above written.

PAINTSVILLE UTILITIES COMMISSION

BY: Larry D. Herald

ITS: General Manager

THELMA WASTE CONTROL, INC.

BY: Edward Thomasson

ITS: PRESIDENT

COMMONWEALTH OF KENTUCKY
COUNTY OF JOHNSON

Subscribed and sworn to before me by Larry Herald, an authorized representative of the Paintsville Utilities Commission, on this the 4 day of ~~August~~ SEPT, 2007.

Brenda K. McAllen
NOTARY PUBLIC

MY COMMISSION EXPIRES: 10/13/09

COMMONWEALTH OF KENTUCKY
COUNTY OF JOHNSON

Subscribed and sworn to before me by Edward Thomasson, an authorized representative of Thelma Waste Control, Inc., on this the 14 day of August, 2007.

Jessica A. Gentry
NOTARY PUBLIC

MY COMMISSION EXPIRES: June 21, 2008

