AGREEMENT

THIS AGREEMENT made and entered into on the day of May 29, 2007, by and between the City of Pikeville (herein "Pikeville"), 118 College Street, Pikeville KY 41501 and Mountain Water District (herein "Mountain Water") 6334 Zebulon Highway, Pikeville, KY 41501, each a Party and each a political subdivision of the Commonwealth of Kentucky.

WHEREAS, Pikeville is the owner and operator of a sanitary sewer system and appurtenances serving the Cowpen area of Pike County, Kentucky; and

WHEREAS, Pikeville has established charges for sanitary sewer services rendered, to its customers based upon water usage by such customers and bills such charges on a periodic basis to its customers so served; and

WHEREAS, Pikeville is obligated to collect delinquent sanitary sewer service charges from its customers so served; and

WHEREAS, Chapter 96 of the Kentucky Revised Statutes permits Pikeville to enforce collection of rates and charges for the use of sewer facilities by requiring that water service be discontinued, until payment is made or some satisfactory arrangement is reached; and

WHEREAS, Mountain Water is engaged in the business of providing water service to substantially the same area and customers in the Cowpen area of Pike County as are served by Pikeville, and Mountain Water is in a position to supply to Pikeville the customer and water usage data. Pikeville requires to compute customer bills, monitor collection of its sanitary sewer service charges, and to terminate water service for reason of delinquency in the payment of any sanitary sewer service charge by a customer of Pikeville; and

WHEREAS, Mountain Water is authorized, pursuant to Chapter 96 of the Kentucky Revised Statutes, to enter into an agreement with Pikeville for the termination of water service and discontinuance of the supply of water from its system to any premises at which the sanitary sewer service charge for sanitary service supplied by Pikeville are unpaid; and

WHEREAS, Pikeville has requested Mountain Water to provide to Pikeville customer and water usage data for Mountain Water customers in the Cowpen area which will permit Pikeville to compute bills and monitor collection of its sanitary sewer service charges; and

WHEREAS, Mountain Water is willing to furnish the requested customer and water usage data to Pikeville and to disconnect and reconnect such service, all pursuant to and subject to the terms and conditions hereafter set forth.

NOW, THEREFORE, in consideration of the recitals which are a material part of this Agreement, the mutual covenants hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which are mutually acknowledged Eich MMISSION

agreed by and between the parties as follows:

7/28/2009 PURSUANT TO 807 KAR¹5:011

SECTION 9 (1)

(Exhibit A)

A. CUSTOMER DATA TRANSFER, BILLING, & SERVICE DISCONNECTS

- 1. Pikeville and Mountain Water shall jointly designate each sanitary sewer service customer of Pikeville (in the Cowpen area of Pike County) who is also a water service customer of Mountain Water.
- 2. Mountain. Water shall bill all customers identified in Paragraph A(1) above for water services and Pikeville shall bill all such customers for sanitary sewer services.
- 3. Mountain Water shall provide to Pikeville by the 154 of each month the following data for each customer identified in Paragraph A(1) above:
 - a. Customer name
 - b. Customer address
 - c. Meter reading and water consumption for current month
 - d. Any changes to Mountain Water customer accounts for the previous month including changes in customer names or billing addresses, accounts terminated, and new water customer services added.
- 4. Pikeville will be responsible for generating and mailing out disconnect notices for non-payment of service bills to its customers pursuant to its own adopted policies and procedures. However, Pikeville shall supply to Mountain Water by the 20th of each month a listing of its sewer customers who are delinquent in payment of their sewer bills and for whom it intends to have water service disconnected that month. This listing shall contain the customer's name and address, amount of payment in arrears, and any other particulars related to its justification for termination of service.
- 5. Mountain Water shall shut off water service for non-payments of sanitary sewer service charges for those customers identified by Pikeville pursuant to Paragraph A(4) above. Such disconnects shall be made by Mountain Water during the same period of time each month that it normally disconnects water service to its water customers for non-payment of water service charges but in no event shall the disconnects be made later than thirty days after receipt of written notice from Pikeville.
- 6. Pikeville shall provide to Mountain Water appropriate information on sewer customers who have paid delinquent amounts or otherwise satisfied their debt for sanitary sewer services to Pikeville and for whom it desires to have water service restored. Upon receipt of such information, Mountain Water shall restore water service to those customers, observing the same diligence, policies and procedures as it uses in restoring water service accounts. PUBLIC SERVICE COMMISSION

7. A Pikeville representative with authority to negotiate on behalf of Pikeville shall

PURSUANT TO 807 KAR **3**:011 SECTION 9 (1)

OF KENTUCKY

(Exhibit A)

Secutive Director

accompany the Mountain Water service representative to the premises to be shut off.

- Pikeville shall pay to Mountain Water District the sum of \$.50 per account for each 8. and every account provided under paragraph A(3) herein.
- 9. Pikeville agrees to pay Mountain Water District the sum of \$ 30.00 for each and every water service terminated at the request of Pikeville pursuant to the terms of this agreement.
- 10. Pikeville shall pay Mountain Water District the sum of \$30.00 for each and every water service restored by Mountain Water pursuant to the terms of this agreement.
- Mountain Water shall provide a monthly statement to Pikeville by the 10th day of 11. each month for services provided the prior month. Pikeville agrees to pay the same within twenty days after receipt thereof.

B. MISCELLANEOUS PROVISIONS

- 5 years The term of this agreement shall be for a period of twelve months beginning on 1. ,2007. This agreement may be renewed on an annual basis by the parties, in writing, for successive twelve month periods, upon the same terms and conditions. Any party proposing a renewal with different terms and conditions shall submit a written proposal containing such terms and conditions to the other party no later than sixty days prior to the expiration of the thenexisting term of the agreement. Either party may terminate the agreement upon sixty days written notice to the other party.
- 2. Pikeville and Mountain Water shall each designate an individual or individuals as liaison to assist in the implementation of the terms of this agreement by assisting with the transmission of information required by the agreement and by responding to questions or requests for information from the public.
- 3. The water service terminated pursuant to this agreement shall not be restored until all charges, taxes, and reconnect fees have been paid or until suitable payment arrangements have made by the sanitary sewer service customers, but shall be restored as soon as practicable thereafter.
- 4. In accordance with KRS 96.942, Mountain Water shall incur no liability by reason of discontinuing water service pursuant to this agreement.

This agreement shall be binding upon and inure to the benefit of the parties COMMISSION 5. hereto and their respective successors.

OF KENTUCKY

EFFECTIVE 7/28/2009

PURSUANT TO 807 KAR³5:011

SECTION 9 (1)

(Exhibit A)

- This agreement has been entered into and shall be construed in accordance with 6. the laws of the Commonwealth of Kentucky.
- 7. This agreement is the entire written agreement between the parties and may not be amended, modified or revised except by a written instrument signed by each of the parties. This agreement shall constitute neither a partnership nor a joint venture, and is for services to rendered to Pikeville by Mountain Water.

IN WITNESS WHEREOF, the parties have executed this Agreement on the dates hereinafter set forth, but to be effective NGY 29, 2009.

CITY OF PIKEVILLE

ATTEST:

FRANK JUSTICE, MAYOR

MOUNTAIN WATER DISTRICT

ATTEST

CHAIRPERSON

(Exhibit A)

PUBLIC SERVICE COMMISSION OF KENTUCKY **EFFECTIVE** 7/28/2009 PURSUANT TO 807 KAR 5:011

SECTION 9 (1)