

WATER SHUT OFF AGREEMENT

THIS WATER SHUT OFF AGREEMENT, hereinafter referred to as ("Agreement") is made and entered into this 14th day of October, 2011, by and between **CITIZENS NATIONAL BANK**, c/o Brenda Hranicky, of P.O. Box 760, Somerset, KY 42502, hereinafter referred to as "Citizens" and **BRONSTON WATER ASSOCIATION, INC.**, of P.O. Box 243, Bronston, KY 42518, hereinafter referred to as "Association,"

WITNESSETH:

WHEREAS, Citizens currently owns and operates various sanitary sewer treatments and transmission line facilities which services Citizens At Woodson Bend which are located within the territorial limits of Association and,

WHEREAS, Association is the owner and operator of water transmission lines in Citizens areas which include, in part, those areas serviced by Citizens with respect to sewage treatment facilities and transmission lines and,

WHEREAS, pursuant to KRS 76.090, and/or other applicable laws, Citizens and the Association are authorized to enter into various agreements for the handling of delinquent sewage accounts through the shut off of water service and,

WHEREAS, Citizens and the Association intend to formalize the terms and conditions of an agreement to provide water shut off services for non-payment of sewage service bills.

NOW, THEREFORE, in consideration of the foregoing premises and mutual promises and undertakings hereinafter specified, Citizens and the Association agree as follows:

1. In the event that the Association should modify or alter its current meter reading procedures and frequencies, Citizens shall only be entitled to such water consumption data at those times when the water meters are read by representatives of the Association. In no event shall the Association be responsible for supplying water consumption data to Citizens other than during their regular water meter reading times. It is further acknowledged by Citizens that occasionally, due to damaged meters and the like, water usage data may be inaccurate. In no event shall the Association be liable to Citizens or its customers in any way or in any manner for any inaccurate water consumption data made available to Citizens regardless of the reason for such inaccuracy.
2. The Association shall be entitled to receive and review all relevant documentation of Citizens to ensure due authorization of water shut off, and may further send such additional notices as the Association deems appropriate, but has no obligation to do so nor will any notice sent by the Association affect the ir of the Association as set forth herein. Citizens shall be fully and *Brent Kirtley* ble for

**KENTUCKY
PUBLIC SERVICE COMMISSION**

Jeff R. Robertson
EXECUTIVE DIRECTOR
TARIFF BRANCH

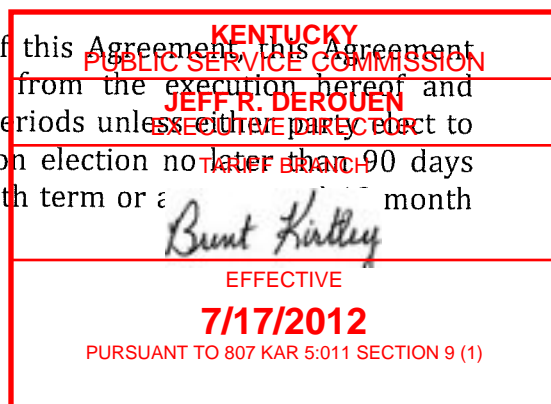
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7/17/2012

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

keeping current, accurate records of all account holders and ensuring that all account holders are duly apprised of their rights and obligations hereunder.

3. In the event of any water shut off, the Association shall be entitled to recover from the delinquent customer any and all costs of such shut off and reconnect fees permitted under the Tariff of the Association as authorized and approved by the Public Service Commission. In the event that the customer is unable, refuses or does not pay the Association for such shut off or reconnect fees then, in such event, Citizens shall reimburse the Association the cost thereof.
4. In the event Citizens should direct or authorize the Association to shut off any water service to any customer of Citizens and such customer shall make any claim, demand, or pursue any cause of action against the Association as a result thereof for any reason whatsoever, Citizens does hereby agree to indemnify and hold harmless the Association from any such liability, such indemnification and contribution to include but not be limited to the reimbursement of the Association of any and all legal fees, costs or other expenses incurred in the defense of any and all such claims so instituted against the Association.
5. Citizens and the Association acknowledge that the Rules, Regulations and Statutory requirements governing Citizens and the Association may change from time to time and that as a result of such changes, performance of the terms and conditions of this Agreement may become impossible or impractical. In the event of any such changes in the Rules, Regulations or Statutes governing the operation of Citizens and the Association should occur as to render any terms or condition of this Agreement illegal or the performance thereof impossible or impractical, then in such event, this Agreement shall be reasonably amended so as to render the performance thereof practical in light of such new Rules, Regulations and/or Statutes. If Citizens and the Association are unable to reasonably amend or modify this Agreement to reflect such changes, then and in such event, this Agreement shall become null and void.
6. Citizens hereby certifies that this Agreement is entered into pursuant to a duly authorized and adopted Resolution.
7. The Association certifies that this Agreement is executed pursuant to duly authorized and adopted Resolution.
8. This Agreement shall be binding upon the respective parties, their successors and assigns.
9. Provided Citizens has not breached any term of this Agreement, this Agreement shall continue for a period of twelve months from the execution hereof and specifically thereafter for successive 12 month periods unless either party elects to cancel by notifying the other of such cancellation election no later than 90 days preceding the termination of such initial 12 month term or a 90 day month term.



IN WITNESS THEREOF the parties have hereunto set their hands on the date and year first above written.

CITIZENS NATIONAL BANK

Brenda Hranicky AVP
BRENDA HRANICKY

BRONSTON WATER ASSOCIATION, INC.

Charles Cassada
CHARLES CASSADA, CHAIRMAN

ATTEST:

Victoria Ramsey
_____, Secretary

KENTUCKY PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN EXECUTIVE DIRECTOR
TARIFF BRANCH <i>Brent Kirtley</i>
EFFECTIVE 7/17/2012 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)