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PUBLIC SERVICE COMMISSION

P.S.C. RATES & RESEARCH DIV.

A G R E E M E N T

This agreement made and entered into as of the 3rd day of March, 1992, by and between Bullock Pen Water District, hereinafter designated "DISTRICT", and CITY OF WALTON, KENTUCKY, hereinafter designated "CITY".

WHEREAS, Bullock Pen Water District desires an additional source of water supply; and

WHEREAS, The City of Walton has the ability to deliver water to the District provided an extension of a water transmission main is completed;

NOW, THEREFORE, the parties hereto do hereby ^{PUBLIC SERVICE COMMISSION} ~~OF KENTUCKY~~ as ^{EFFECTIVE} follows:

A. THE CITY AGREES:

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1. The City will furnish the DISTRICT ^{PURSUANT TO 807 KAR 5.011, SECTION 9(1)} at a point of delivery hereinafter ~~specified, during~~ ^{FOR THE PUBLIC SERVICE COMMISSION} the terms of this contract or any renewal or extension thereof, potable treated water meeting applicable purity standards of the Kentucky Cabinet for Human Resources in such quantity as may be required by the DISTRICT not to exceed 100,000 gallons per day.

In the event that any water supplied to the DISTRICT by the CITY does not meet the then existing water quality standards imposed by any State or Federal Regulatory Body, then and in such event, CITY shall at its sole cost and expense provide additional treatment to such water in order for same

to meet any and all then existing State or Federal water quality regulations.

2. Water will be provided by the CITY on a gravity flow basis from an existing 6 inch main supply at a point located on Kentucky Highway 14/16 and Oak Creek Road. If a greater pressure than that normally available at the point of delivery is required by the DISTRICT, the cost of providing such greater pressure shall be borne by the DISTRICT. Emergency failures of pressure or supply due to main supply line breaks, power failure, flood, fire and use of water to fight fire, earthquake or other catastrophe shall excuse the CITY from this provision for such reasonable period of time as may be necessary to restore service.

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3. The CITY will operate and maintain expense at the point of delivery after installation by the DISTRICT, the necessary metering equipment including meter house or pit and required devices of standard type for properly measuring the quantity and pressure of water delivered to the DISTRICT. Said metering facilities shall be checked by the CITY and DISTRICT through their duly authorized agents or employees and said meter or meters shall be maintained and tested by the District according to the rules and regulations prescribed by the Kentucky Utility Regulatory Commission. A copy of

PURSUANT TO KRCAR 5011,
SECTION 9(1)
BY: *[Signature]*
FOR THE PUBLIC SERVICE COMMISSION

the meter test results shall be sent to the Mayor of Walton.

4. The CITY will operate and maintain, at its expense, a connection at the Verona water tower to the "bridge" network for the computer system. The CITY will pay, at no cost to the DISTRICT, the fee charged by Cincinnati Bell for the use of the "bridge" network.

5. The 6 inch transmission main proposed to be constructed by the DISTRICT along Salem Creek Road to the existing 6 inch main on Kentucky 14/16 is designed to provide a source of water to the DISTRICT only. If the CITY desires to provide water service from said transmission main, additional capacity would be required. Therefore, in the event the CITY deems it necessary to construct a larger main than desired by the DISTRICT, the CITY shall pay the additional construction and related costs of the larger transmission main.

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6. The records of the CITY shall be open for inspection by the representatives of the DISTRICT who may review the cost factors, used for the establishment of water rates, at any reasonable time at the office of the CITY.

PURSUANT TO 807 KAR 5.011,
SECTION 9(1)
BY: *Quentin C. [Signature]*
FOR THE PUBLIC SERVICE COMMISSION

7. The CITY will furnish the DISTRICT at its address not later than the 5th day of the month, with an itemized statement of the amount of

water furnished the DISTRICT during the preceeding month.

B. THE DISTRICT AGREES:

1. The DISTRICT will pay the CITY not later than the 20th day of the month, for water delivered in accordance with rates to be determined annually as hereinafter described.

2. The DISTRICT will construct, or contract to construct, at no cost to the CITY, a 6 inch transmission main from the DISTRICT's water system to a point near Kentucky 16 and Oak Creek Road, Boone County where the CITY's existing 6 inch main terminates, said existing main being owned and maintained by the CITY. The DISTRICT further agrees to furnish and install a metering facility, in the Kentucky 14/16 and Oak Creek Road, Salem Creek Road area, including a meter house of PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE necessary appurtenances for metering purchased water.

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3. The meter pit design shall be approved by the CITY prior to its installation. Until final approval of the meter pit, the DISTRICT shall be responsible for all utility charges in connection therewith.

PURSUANT TO 807 KAR 5.011, SECTION 9(1)
BY: *James C. Neal*
REG. THE PUBLIC UTILITY COMMISSION

4. The DISTRICT will install cleanout valves/fire protection hydrants at two thousand five hundred (2,500) feet intervals within five thousand (5,000)

feet of the meter pit on Kentucky 14/16. The CITY and the DISTRICT shall agree upon the placement of the closest clean out valve/fire protection hydrant to the meter pit.

C. IT IS FURTHER MUTUALLY AGREED BETWEEN THE CITY AND THE DISTRICT AS FOLLOWS:

1. This contract shall extend for a term of 30 years from the date of the initial delivery of any water as shown by the first bill submitted by the CITY to the DISTRICT and, thereafter may be renewed or extended for such term, or terms, as may be agreed upon by the CITY and DISTRICT.

2. Ten (10) days prior to the estimated date of completion of construction of the DISTRICT's water supply distribution system improvement, the DISTRICT will notify the CITY in writing of the date for the initial delivery of water.

3. When requested by the DISTRICT, the CITY will make available to the contractor at the point of delivery, or other point reasonably close thereto, water sufficient for testing, flushing and trench filling the system of the DISTRICT during construction, irrespective of whether the metering equipment has been installed at that time, at a flat charge of \$100.00 which will be paid by the contractor or, on his failure to pay, by the DISTRICT. In lieu of above, if practical, a hydrant meter will be

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SECTION 9 (1)

BY: Gordon C. Neal
FOR THE DISTRICT

supplied by the DISTRICT, for use of the Contractor, under the then current rules and regulations.

4. The CITY will, at all times, operate and maintain its system in an efficient manner and will take such action as may be necessary to furnish the DISTRICT with quantities of potable water required by the DISTRICT hereunder. Temporary or partial failures to deliver water shall be remedied with all possible dispatch. In the event of an extended shortage of water, or the supply of water available to the CITY is otherwise diminished over an extended period of time, the supply of water to DISTRICT's consumers shall be reduced or diminished in the same ratio or proportion as the supply to the CITY consumers is reduced or diminished.

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5. The rate at which the DISTRICT purchases water from the CITY shall be reviewed and the cost of water to the DISTRICT shall be 30% over the wholesale cost of water purchased by the CITY from the Kenton County Water District No. 1.

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SECTION 9(1)
FOR THE PUBLIC SERVICE COMMISSION

6. The computer connection to the CITY's equipment and meter pit shall be performed by Cincinnati Technical Service (CTS) at a price to be agreed upon by the CITY, the DISTRICT, and CTS, and paid for by the DISTRICT.

7. The CITY reserves the right to approve the location, hydraulic design and specifications of the transmission main and master meter installation to be constructed and same shall be furnished by the DISTRICT's engineer to the CITY for examination and approval.
8. This contract is subject to such rules, regulations, or laws as may be applicable to similar agreements in this State and the CITY and DISTRICT will collaborate in obtaining such permits, certificates, or the like, as may be required to comply therewith.
9. The construction of the water supply distribution system improvements by the DISTRICT is being financed by a loan made or insured by, and/or a grant from _____, and the provisions hereof pertaining to the undertakings of the DISTRICT are conditioned upon the approval, in writing, of Kentucky Infrastructure Authority; Kentucky Public Service Commission; ~~PUBLIC SERVICE COMMISSION~~ OF KENTUCKY ~~EFFECTIVE~~ other State or Federal Regulatory for administrative bodies as may be appropriate.
10. In the event of any occurrence rendering the DISTRICT incapable of performing under this contract, any successor of the DISTRICT, whether ~~FOR THE~~ result of legal process, assignment, or otherwise, shall succeed to the rights of the DISTRICT hereunder.

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SECTION 9.1.1

BY: Jordan C. Neal
FOR THE PUBLIC SERVICE COMMISSION

D. This AGREEMENT shall not be modified, changed or altered unless it be done in writing and signed by all parties.

E. Any and all notices required herein shall be deemed to have become effective only if in writing and sent to the respective parties as identified below by United States Mail, postage prepaid, certified, return receipt requested. Those persons receiving notice and their respective addresses are as follows:

TO THE CITY: City of Walton, C/O Mayor, Main and Church Street,
P. O. Box 95, Walton, Kentucky 41094.

TO THE BULLOCK PEN WATER DISTRICT: Bullock Pen Water District,
Attention: Chairmain, U.S.
Highway 25, Crittenden,
Kentucky 41030.

EXECUTED pursuant to a Resolution of the Bullock Pen Water District at a duly authorized meeting held on the 3rd day of March, 1992

EXECUTED pursuant to a Resolution of the CITY OF WALTON at a duly authorized meeting held on the 3rd day of March, 1992

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BULLOCK PEN WATER DISTRICT
BY: [Signature]
GENERAL MANAGER

ATTEST: X [Signature]
SECRETARY

CITY OF WALTON

BY: William M. King
MAYOR WILLIAM M. KING

ATTEST: Ruth L. Glenn
CITY CLERK

This contract is approved on behalf of
_____ this _____ day of _____,
_____.

By: _____

Title: _____

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PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

BY: Gordon A. Neal
FOR THE PUBLIC SERVICE COMMISSION