

SPECIAL  
EXTENSION APPLICATION  
FOR

NORTH SHELBY WATER COMPANY

APPLICANT(S):

Calvin D. Montfort

835 Catwalk R.  
(Address) Boydale, Ky. 41002

747-8755  
(Phone No.)

NOTE: All Applicants must sign

AREA TO BE SERVED: Catwalk Road & Catwalk Mini Farms

SERVICE APPLIED FOR: Distribution Line Extension X  
Distribution Flush Hydrant X  
Distribution Upgrading \_\_\_\_\_  
Distribution Relocation \_\_\_\_\_  
Other (describe) \_\_\_\_\_

ESTIMATES: Estimated Water Line Size 6" x 4"  
Estimated Project Cost \$62,220.00  
Estimated Footage 1,000  
Other (describe) \_\_\_\_\_

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EXHIBITS: Map or plat showing streets,  
lots, buildings, proposed  
service routes, and easements,  
a copy of which is attached  
hereto and made a part hereof,  
and marked "Exhibit A" for  
identification  
Other (describe) \_\_\_\_\_

OCT 19 1997

PURSUANT TO 807 KAR 5.011.  
SECTION 9 (1)

BY: Stephan Bee  
SECRETARY OF THE COMMISSION

CONSTRUCTION COMMENTS: See attached addendum

AGREEMENT:

1. Applicant applies for a water line extension upon the terms and conditions set forth in this contract.
2. Applicant agrees to provide without cost to the Company any properly signed recordable easements required by the Company for the installation and maintenance of the Company's water transmission or distribution lines, existing and future.
3. The water facilities constructed hereunder shall at all times be owned and maintained by the Company. The Company shall have the right to extend the facilities without compensation to Applicant or the consent of Applicant. The Company shall have the right to make service connections thereto without the consent of the Applicant, and subject to the Company's construction rebate agreement as hereinafter provided.
4. Upon approval by the Company's engineer, manager, and board of directors, the manager and engineer will design and make a cost estimate of the project. The Applicant will, prior to construction, make a deposit to the Company's escrow construction account of the entire estimated project cost, less amounts contributed by the Company and by Shelby Fiscal Court. If the actual construction cost exceeds the estimate, Applicant will promptly pay the difference. If the actual construction cost is less than the estimate, the Company will refund to Shelby Fiscal Court any overpayment plus interest at the rate of 6% per annum on the amount of the excess deposit for the period beginning 90 days after completion of all construction, installation and servicing work in connection with the project and ending with the date of payment of refund.
5. Applicant acknowledges that the project cost will include the Company's reasonable supervision, engineering, legal and accounting charges attributable to this project.

6. All projects having estimated construction costs exceeding \$10,000.00, shall be bid unless waived by the Applicant. All smaller projects, and all projects where bidding is waived by the Applicant, will be constructed by the Company or the Company's contractor. All contractors will sign the Company's standard construction contract.  
The Applicant: \_\_\_\_\_ Waives the right to have this project bid

7. Applicant grants Company a perpetual easement over Applicant's land to survey, plan, install, construct, maintain, repair, and remove existing and future water pipelines, appurtenant facilities, and meters, the right to read those meters, and the right of ingress and egress for these purposes over Applicant's property.

8. All construction, labor and materials must be in accordance with the Company's specifications. A payment and performance bond will be required.

9. The facilities will be constructed in accordance with "Exhibit A." If there is no "Exhibit A" to this contract, the extension will be constructed within the Company's easements upon Applicant's property. Under no circumstances will construction begin until Company has obtained all necessary and proper recorded easements.

10. The Company agrees that it will perform its obligations under this contract with reasonable diligence, and that construction will begin as soon as reasonably possible. In the event that the construction called for by this contract cannot begin within 6 months from the date of this contract, then either the Company or the Applicant may terminate this agreement by written notice to the other at which time the Company will refund the deposit less any cost incurred.

11. This agreement shall be valid and binding on the Company only when executed by its President. Any deposit made with this application prior to such signature shall not be construed as an acceptance hereof.

12. The Company shall determine the total cost of the water main extension (exclusive of the tap on fee). The total construction cost including any cost overruns, minus the Shelby County Fiscal Court \$44,566 contribution and the Company's \$8,250 contribution (such net figure hereinafter referred to as the "Net Construction Contribution"), shall be contributed by the 6 initial Applicants desiring service on the main extension. The initial cost to be contributed by each Applicant is \$1,684 (plus the \$500 tap-on fee) which was determined by dividing the Net Construction Contribution by the number of initial Applicants. This amount shall be the amount of an initial "Share". The Company is required under PSC rules to contribute the cost of 50 feet (\$330) for each actual customer connected within 10 years. The Company's required contribution is  $\$330 \times 6 \text{ customers} = \$1,980$ , and the Company's excess contribution is presently  $\$6,270 (\$8,250 - \$1,980)$ .

For a period of ten years after the project has been completed and placed in service, each additional Applicant (customer) directly connected to that portion of the water main constructed under this agreement (not including customer connections to further extensions or branches thereof) will be required to contribute an equal Share to the cost of that extension. Pursuant to this agreement, each future Share so contributed shall first be paid to the Company until the Company's excess contribution has been repaid, without interest, provided however that the Company's excess contribution will also be reduced by \$330 for each such new customer over the initial 6 customers. After the Company's excess contribution has been fully repaid, then each future share and the Company's \$330 per customer 50 foot rule contribution shall next be paid to Shelby Fiscal Court until the Court's contribution has been fully paid, without interest. When the Company and Court have been fully repaid, any unused rebate funds shall be equally divided between all customers then having contributed a Share. After the

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Company and Fiscal Court have been paid in full, the amount to be contributed to the cost of the extension by each new customer connected to that extension shall be based on a re-computation of each Shareholder's contribution (i.e., the Net Construction Contribution divided each time by the new total number of customers who have contributed to the extension cost). After the Company and Fiscal Court have been paid in full, the Company must refund to the holders of each Share that have previously contributed to the cost of each main extension that amount necessary to reduce their contribution per Share to the currently calculated Share amount provided, however, that the total amount returned shall not exceed the total construction cost, without interest. All customers directly connected to this main extension for a ten year period after it is placed in service are to contribute equally to the cost of construction of the water main extensions. In addition, each customer must pay the approved tap on fee applicable at the time of their application for the meter connection, which is not refundable and may be changed during the refund period. After the ten year refund period expires, any additional customer applying for service on each main extension must be connected for the amount of the approved tap on fee only, and all or any part of the construction cost not refunded within said ten year period shall become the property of the Company. All refunds shall be made on an annual basis and without interest.

13. If this application is for extension of water service to a subdivision (a subdivision is presumed by the existence of a plat), the Applicant agrees that no refund will be paid for any customer located within that subdivision, it being expected that the subdivider will recoup the cost of this extension in the sale of the subdivision lots. The Applicant further agrees that the construction contribution for each additional customer not located within said subdivision, will be computed using the number of planned customers in that subdivision. (For example, if there are 19 single-family lots in the subdivision and a new customer across the road but not in the subdivision applies for service from the water main extension, the construction contribution from that new customer will be calculated by dividing the original construction cost by 20.)

14. Notwithstanding anything in this agreement to the contrary, if the Company has contributed excess company funds (funds exceeding 50 feet per actual customer) to assist in this extension, each Applicant hereby assigns to the Company that Applicant's construction rebate refund to the extent necessary to first repay the Company's excess construction contribution. The Company has agreed to contribute a total of \$8,250.00 to the project. Based on the anticipated 6 initial customers at a 50' rule contribution of \$330.00 per customer, the Company's total 50' rule contribution to the construction cost would be \$1,980.00. Based on these figures, the Company's excess contribution would be \$6,270.00. This is subject to change in the event the number of customers changes. Likewise, the Applicants acknowledge that it was the condition of the Fiscal Court contribution that Fiscal Court be repaid prior to Applicants from any construction rebates, following repayment of the aforementioned Company excess contribution. As set out herein, each Applicant hereby assigns to the Company and to Shelby Fiscal Court that Applicant's construction refund to the extent necessary to repay the Company's excess construction contribution and Fiscal Court's construction contribution.

15. If Applicant's account becomes delinquent, Applicant agrees to pay the Company's attorney fees and costs incurred in collecting that account. Any delinquent account will accrue Twelve Percent (12%) interest. Venue for any action filed on this contract shall be in Shelby County, Kentucky.

16. Any notice given hereunder shall be deemed sufficient if in writing and sent by certified mail to Company at P.O. Box 97, Bagdad, Kentucky 40003, and to Applicant at \_\_\_\_\_.

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17. By signature hereon, Applicant acknowledges that he/she has read the foregoing, received a copy thereof, agrees to be bound by same, and acknowledges that this is the entire agreement between the parties and that there are no oral agreements between the parties.

Date: 9-6-96

APPLICANT

By: Calvin A. Montfort

Title: \_\_\_\_\_

Additional Applicants, if any (sign on back if necessary)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Date: 9-6-96

NORTH SHELBY WATER COMPANY

By: Duncan LeCompte  
Duncan LeCompte, President

\* \* \*

FOR COMPANY USE ONLY:

Received this 23 day of May, 1996,  
from Applicant for Escrow Construction: \$ 2184.00  
Completed Cost of Project \$ \_\_\_\_\_  
Balance due from (to) Applicant \$ \_\_\_\_\_

Completed Footage of Project \_\_\_\_\_  
Company Contribution (if any) \_\_\_\_\_

ZWTRNSVCATWALK.EXT  
[06/20/96]

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JULY 23, 1997 ADDENDUM TO SPECIAL EXTENSION APPLICATION

CATWALK ROAD PROJECT

NORTH SHELBY WATER COMPANY

The following corrections are necessary due to project changes and bidding cost over-runs. None of these corrections adversely affect any of the applicants. The extra funds required, due to the bidding cost over-runs, are being contributed by the Company.

1. The estimated waterline size is changed so that 6500 feet of 6 inch line will be built along Catwalk Road, and 3400 feet of 4 inch line will be built north into Catwalk Mini-Farms.
2. The cost savings from installing a 4 inch dead end line rather than a 6 inch dead end line, together with the cost savings from eliminating one road bore, have allowed the Company to extend the line further than anticipated and install a creek crossing. Accordingly, the estimated footage has increased to 9900 feet.
3. The estimated project cost following advertising for bids is now \$92,600.

4. The following contributions are being made:

Shelby County Fiscal Court:	\$44,560.00
North Shelby Water Company:	37,936.00
Six Customer contributions at \$1,684 each:	10,104.00

The amount of a "share" remains \$1,684.00, plus the regular tap-on fee.

5. North Shelby will pay the regular 50 foot contribution per customer, which is estimated to be \$468.00 per customer. All 50 foot rule contributions should be deducted from North Shelby's construction contribution to obtain the maximum amount which North Shelby can obtain via the rebate process.



Donald T. Prather  
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