

SPECIAL
EXTENSION APPLICATION
FOR
U.S. 60 WATER DISTRICT

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JAN 22 1998

BACKCREEK ROAD

PUBLIC SERVICE
COMMISSION

APPLICANT(S): Ben Matlin, LeRoy Scrogam (~~2 Shares for 2 separate properties~~), Richard Crosier, Michael Goodlett, Randy Goodlett, Charlene Huffman, Douglas Steck, Kenneth Tuggle, Goodlet Brothers Partnership(2), and Shelia Shouse (hereinafter individually referred to as "Applicant").

NOTE: Each Applicant must sign.

AREA TO BE SERVED: Backcreek Road from Mike & Mary Goodlett to Kenneth and Charlene Huffman.

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

ESTIMATES: Estimated Water Line Size 4 & 8 inch
Estimated Project Cost \$83,487.50
Estimated Footage 11,450
Other (describe) _____

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

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

FEB 21 1998

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

BY: Stephan Bell
SECRETARY OF THE COMMISSION

CONSTRUCTION COMMENTS: 4 inch line to be constructed from Pea Ridge Road cross country to Mike & Mary Goodlett property, 8 inch line to be constructed along Backcreek Road itself. The District is contributing \$9,987.50 to upgrade the Backcreek Road line from a 6 inch to an 8 inch line - none of this contribution will be repaid to the District under the rebate formula hereinafter set forth.

AGREEMENT:

1. Each Applicant applies for a water line extension upon the terms and conditions set forth in this contract. All Applicants who are married or are otherwise living within the same dwelling unit shall be considered one Applicant.

2. Each Applicant agrees to obtain and provide, without cost to the District, all properly signed recordable easements required by the District for the installation and maintenance of the District's water transmission or distribution lines, existing and future. If Applicant cannot obtain easements on property other than Applicant's, the District will obtain those easements at Applicant(s') cost, which is not included in the estimate.

3. The water facilities constructed hereunder shall at all times be owned and maintained by the District. The District shall have the right to extend the facilities without compensation to any Applicant or the consent of any Applicant. The District shall have the right to make service connections thereto without the consent of any Applicant, subject to the District's construction rebate agreement as hereinafter provided.

4. Upon approval by the District's engineer, manager, and

Board, the manager and engineer will design and make a cost estimate of the project. The Applicant(s) will, prior to construction, make a deposit to the District's escrow construction account of the entire estimated project cost. If the actual construction cost exceeds the estimate, Applicant(s) will promptly pay the difference. If the actual construction cost is less than the estimate, the District will refund to Applicant(s) 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. Each Applicant acknowledges that the project cost will include the District'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. All smaller projects will be constructed by the District or the District's contractor. All contractors will sign the District's standard construction contract.

7. Each Applicant grants District 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 District'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 District's easements upon Applicant's property. Under no circumstances will construction begin until Applicant(s) has/have obtained for District all necessary and proper recorded easements.

10. The District 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 six (6) months from the date of this contract, then either the District or all of the Applicant(s) may terminate this agreement by written notice to the other, at which time the District will refund the deposit less any cost incurred.

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

12. Notwithstanding anything in this agreement to the contrary, if the District or Shelby Fiscal Court have contributed funds to assist in this extension, each Applicant hereby assigns, first to the District and second to Shelby Fiscal Court, that Applicant's construction rebate to the extent necessary to first repay the District's construction contribution, if any, and next repay Shelby Fiscal Court's construction contribution, if any. Each Applicant acknowledges that it is a condition of any Shelby Fiscal Court contribution that Shelby Fiscal Court be repaid prior to Applicant from any construction rebates, following repayment of the forementioned District construction contribution.

District construction contribution (other than
upsized contributions): \$ None

Shelby Fiscal Court construction contribution: \$ 46,000.00

13. The District shall determine the total cost of the water

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PLEASANT TO 207 KAR 5011.
SECTION 9(1)
Secretary of the Commission

main extension (exclusive of the tap-on fee). The total construction cost including any cost overruns, minus the District's construction contribution, if any, and Shelby Fiscal Court's contribution, if any, (such net construction cost hereinafter referred to as the "Net Construction Cost"), shall be contributed equally by each initial Applicant desiring service on the main extension, unless otherwise agreed between the Applicant(s). Each Applicant will also be required to pay the District's approved "Tap-on fee" for a meter connection to the main extension.

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. The initial amount of an equal Share shall be \$2,500. Each future Share so contributed shall be first divided between and paid to each Applicant who initially contributed more than an equal Share, in order to reduce each such Applicant's contribution to an amount equal to an equal Share, without interest (unless such Applicant contributed 2 or more Shares for service to 2 or more properties). Each future Share so contributed shall next be paid to the District until the District's construction contribution (minus any District upsize contribution), if any, has been fully repaid, without interest. After the District's construction contribution has been fully repaid, then each future Share shall then be paid to Shelby Fiscal Court until the Court's construction contribution, if any, has been fully repaid, without interest. When the District and Fiscal Court have been fully repaid, any unused rebate funds shall be equally divided between all customers then having contributed a Share. After the District and Fiscal Court have been repaid 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 customer's contribution (i.e., the total construction cost minus the District's and Court's construction contributions, if any, and minus each Applicant's excess contribution, if any, divided each time by the new total number of customers, not including the District or Shelby Fiscal Court, who have contributed to the extension costs). After the District and Fiscal Court have been repaid in full, the District must refund to each customer that has previously contributed a Share to the cost of each main extension that amount necessary to reduce the customer's contribution to the currently calculated Share amount, provided however, that the total amount returned shall not exceed the total construction cost, without interest. No fifty-foot rule contribution or rebate by the District will be paid. 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 extension, unless otherwise agreed between all of the Applicant(s). 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 District. All refunds shall be made on an annual basis and without interest.

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14. The terms of this special extension agreement, if filed with the Kentucky Public Service Commission pursuant to 80 KAR 5011.5:001 Section 9(1), shall prevail over any of the District's rules and regulations.

BY: Sharon S. Sullivan
SECRETARY OF THE COMMISSION

15. If Applicant's account becomes delinquent, Applicant agrees to pay the District'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 District at P.O. Box 97, Bagdad, Kentucky 40003, and to each Applicant at such Applicant's last billing address.

17. By signature hereon, each 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.

APPLICANT(S)

Signed separate copy
Ben Matlin

LeRoy Scrogam
LeRoy Scrogam

Richard Crosier
Richard Crosier

Michael Goodlett
Michael Goodlett

Charlena Huffman
Charlena Huffman

Douglas Steck
Douglas Steck

Kenneth Tuggle
Kenneth Tuggle

Shelia Souse
Shelia Souse

Goodlett Brothers Partnership

Randy Goodlett
Randy Goodlett

By: Randy Goodlett, General Partner, or Mike Goodlett, General Partner

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U.S. 60 WATER DISTRICT

FEB 21 1998

By: Bill Eggen
Bill Eggen, Chairman

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

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BY: Stephan Bue
SECRETARY OF THE COMMISSION

FOR DISTRICT USE ONLY:

Received this ____ day of _____, 19____,	\$ _____
from Applicant(s) for Escrow Construction:	\$ _____
District Contribution:	\$ <u>None*</u>
Fiscal Court Contribution:	\$ <u>46,000.00</u>
Completed Cost of Project:	\$ _____
Balance due from (to) Applicant(s):	\$ _____

Completed Footage of Project _____

*other than line upsize contribution of \$9,977.50.