

SUBDIVISION EXTENSION APPLICATION
FOR
WEST SHELBY WATER DISTRICT

APPLICANT(S): D. B. T. Properties, a general partnership
3816 Ethal Ave., Louisville, Ky 40218
(Address) (Phone No.)

NOTE: All Applicants must sign

AREA TO BE SERVED: Timberwood Farms Subdivision

SERVICE APPLIED FOR:	Distribution Line Extension	<u>3,750 feet</u>
	Distribution Flush Hydrant	<u>4</u>
	Distribution Upgrading	<u></u>
	Distribution Relocation	<u>X</u>
	Other (describe)	<u></u>

ESTIMATES:	Estimated Water Line Size	<u>8 inch</u>
	Estimated Project Cost	<u>\$39,720.00</u>
	Estimated Footage	<u>3,750 feet</u>
	Other (describe)	<u></u>

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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) _____

APR 22 1998

PURSUANT TO 507 KAR 5.011,
SECTION 9(1)

BY: Stephan Bell
SECRETARY OF THE COMMISSION

CONSTRUCTION COMMENTS: Lower line in front of subdivision.

AGREEMENT:

1. 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 Applicant or the consent of Applicant. The District shall have the right to make service connections thereto without the consent of the Applicant, and subject to the District's construction rebate agreement as hereinafter provided.

4. Upon approval by the District's engineer, manager, and board of commissioners, 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 District's escrow construction account of the entire estimated project cost. 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 District will refund to Applicant 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 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 as required by state law. 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. 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 on Applicant's property until Applicant has granted 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 6 months from the date of this contract, then either the District or the Applicant 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 an application prior to such signature shall not be construed as an acceptance hereof.

12. The District shall determine the total cost of the water main extension (exclusive of the tap on fee). The total cost shall be contributed equally by those Applicants desiring service on the main extension. There will not be any District contribution to this project. Each Applicant (customer) 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 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 to the cost of that extension based on a recomputation of each customer's contribution as set out above. The District must refund to those customers that have previously contributed to the cost of each main extension that amount necessary to reduce their contribution to the currently calculated amount for each customer connected to that extension, provided, however, that the total amount returned shall not exceed the original construction cost, without interest. All customers directly connected to each main extension for a ten year period after it is placed in service are to contribute equally to the cost of the construction of the water main extension. 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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PERMISSIVE ORDER 5011,
SECTION 10
BY: Steven B. Bell
SECRETARY OF THE COMMISSION

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. If the District has contributed company funds to assist in this extension, each Applicant hereby assigns to the District that Applicant's construction rebate refund to the extent necessary to first repay the District's construction contribution.

15. This is a large lot subdivision extension. The District has found that it expends above average District funds to flush the waterlines in such subdivisions, if they are not immediately looped, and if the the houses in such a development are not at least 50% constructed. Accordingly, the Applicant is allowed his/her choice between the following alternatives:

Applicant's Initials a) Applicant agrees to pay the total cost of completing a loop of this waterline, the cost of which is not included in the estimate for this project.

-or-

b) Applicant agrees to pay to the District, for the lesser of 5 years or until 50% of the lots are built out and in service, a water flushing fee in accordance with the following formula:

$$FC \left(\frac{\text{cost}}{\text{flush}} \right) = \left\{ \frac{\pi \left(\frac{d}{12} \right)^2}{4} \times L(\text{ft.}) \times 7.48 \text{e}^{-3} \left(\frac{1000 \text{gal.}}{\text{ft}^3} \right) \times WR \left(\frac{\text{cost}}{1000 \text{gal.}} \right) \right\} + \left\{ \frac{L(\text{ft.})}{2(\text{ft./sec.})} \times \frac{\text{COST OF KENTUCKY PUBLIC SERVICE COMMISSION EFFECTIVE}}{\text{LABOUR}} \left(\frac{\text{Labour}}{\text{hr.}} \right) \times C \right\}$$

- FC = cost for one line flush
- d = pipe diameter in inches
- L = pipe
- WR = cost of water per 1000 gallons
- LR = cost of labour per hour
- C = travel time coefficient
- Ranges from 1.2-2.0 depending on the distance traveled by water employee

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 PURSUANT TO 807 KAR 5:011.
 SECTION 9(1)
 BY: Stephan Bue
 SECRETARY OF THE COMMISSION

16. Any notice given hereunder shall be deemed sufficient if in writing and sent by certified mail to District at P.O. Box 26, Simpsonville, Kentucky 40067, and to Applicant at 3816 Ethal Avenue, Louisville, Kentucky 40218.

17. The terms of this special extension agreement, if filed with the Kentucky Public Service Commission pursuant to 807 KAR 5:001 Section 9(1), shall prevail over any of the District's rules and regulations.

18. 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: 9-30-97

APPLICANT:
 DBT PROPERTIES, a Kentucky general partnership

By: David Brown Partner
 David Brown, General Partner

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

Date: 10-8-97

WEST SHELBY WATER DISTRICT

By: *Ray Larmee* Chairman
Ray Larmee, Chairman

* * *

FOR DISTRICT USE ONLY:

Received this ____ day of _____, 19____,	
from Applicant for Escrow Construction:	\$ _____
Completed Cost of Project	\$ _____
Balance due from (to) Applicant	\$ _____
Completed Footage of Project	_____
District Contribution (if any)	_____

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