

EXTENSION APPLICATION FOR WEST SHELBY WATER DISTRICT

APPLICANT(S): Wal-Mart Stores, Inc., 701 South Walton Blvd. Bentonville, ARK 72716 (Address) 501-203-4000 (Phone No.)

RECEIVED OCT 15 1996

PUBLIC SERVICE COMMISSION

NOTE: All Applicants must sign

AREA TO BE SERVED: Wal-Mart Supercenter #497, Hwy. 55 S, Shelbyville, KY. 40065

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

ESTIMATES: Estimated Water Line Size (12 inch & 6 inch), Estimated Project Cost (\$97,627.50), Estimated Footage (2830'), Other (describe)

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

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PURSUANT TO 807 KAR 0011, SECTION 9 (1)

CONSTRUCTION COMMENTS:

BY Phyllis Garrison, DIRECTOR, RATES & RESEARCH DIV

AGREEMENT:

- 1. Wal-Mart Stores, Inc. applies for a water line extension upon the terms and conditions set forth in this contract.
2. Wal-Mart Stores, Inc. agrees to provide without cost to the District any properly signed recordable easements required by the District for the installation and maintenance of the District's water transmission or distribution lines.
3. The water facilities constructed hereunder shall at all times be owned and maintained by the District.
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.
5. Wal-Mart Stores, Inc. acknowledges that the project cost

will include the District's reasonable supervision, engineering, legal and accounting charges attributable to this project. These charges are estimated as follows:

Supervision:	\$ 3,000.00
Engineering:	9,900.00
Legal:	1,952.50
Accounting:	0

These estimates will not be exceeded by greater than 20% without prior approval from Wal-Mart, which approval should not be unreasonably withheld. No easement acquisition or condemnation costs are included in the estimate.

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. Wal-Mart Stores, Inc. will grant the District, at no cost, a 30 foot wide perpetual easement parallel and adjacent to the boundaries of Wal-Mart Stores, Inc.'s land, as well as such additional temporary construction easements, if any, as may be reasonably required, 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 Wal-Mart Stores, Inc.'s property. An additional permanent easement will be required if the meter vault and all District facilities cannot be located within the aforementioned easements.

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. Under no circumstances will construction begin until the District has been granted all necessary and proper recorded easements.

10. The District agrees that the construction contract prepared by the District will specify a start date of May 1, 1996 and a completion date of July 1, 1996. This is contingent upon having this contract signed, all easements recorded, and the construction deposit paid by Wal-Mart Stores, Inc. prior to April 1, 1996. If all of the items specified are not received prior to April 1, 1996, the start and completion dates will be adjusted according to the delay. The District will not be responsible to Wal-Mart if the contractor does not begin or complete construction within the above time frames.

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. The District shall determine the total cost of the water main extension (exclusive of the tap on fee). The cost shall be contributed by Wal-Mart Stores, Inc. Wal-Mart Stores, Inc. (customer) will also be required to pay the District's approved "Tap-on fee" for a 3" tap and a 2" meter for a meter connection to the main extension. The tap-on fee for this project shall be the District's actual cost.

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

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PURSUANT TO 807 KAR 5011,
SECTION 9(1)
BY: Phyllis Linnin
DIRECTOR, PLANS & RESEARCH DIV

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.

It is acknowledged that no rebate will be paid under this paragraph for any customers existing on the date this extension application is signed whose existing connection is switched to this newly constructed line.

13. This application is for extension of water service to a subdivision. Wal-Mart 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. Wal-Mart Stores, Inc. 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 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.)

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PURSUANT TO 807 KAR 5.011,
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14. This project will be constructed at no cost or expense to the District.

BY: Phyllis Lammie
DIRECTOR, RATES & RESEARCH DIV

15. If Wal-Mart Stores, Inc.'s account becomes delinquent, by greater than 30 days, Wal-Mart Stores, Inc. agrees to pay the District's attorney fees and costs incurred in collecting that account. Any delinquent account will accrue Twelve Percent (12%) interest per annum from 30 days after the account was due until the account is paid. 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 26, Simpsonville, Kentucky 40067, and to Wal-Mart Stores, Inc., 701 South Walton Blvd., Bentonville, ARK 72716.

17. By signature hereon, a duly authorized Officer of Wal-Mart Stores, Inc. 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: 5-13-96

WAL-MART STORES, INC.

By: [Signature]

Title: Asst. Vice President

Date: 6-12-96

WEST SHELBY WATER DISTRICT

By: [Signature]

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) _____

zwt:wal:wal-nrd3.txt
 Ex: 4/8/96

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