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August 24, 2005

Public Service Commission
Attn: Ms. Beth O'Donnell
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40602-0615

RECEIVED

AUG 25 2005

PUBLIC SERVICE
COMMISSION

Re: Bullock Pen Water District
Case No. 2005-00231

Dear Ms. O'Donnell:

Enclosed please 9 copies of the District's Response to the Commission's Interrogatories.
Please return a file-stamped copy after filing.

Very truly yours,

THE HORWITZ LAW FIRM, P.S.C.


Thomas R. Nienaber

TRN/csb
Enclosure

COMMONWEALTH OF KENTUCKY

RECEIVED

BEFORE THE PUBLIC SERVICE COMMISSION

AUG 25 2005

In the matter of:

PUBLIC SERVICE COMMISSION

APPLICATION OF THE BULLOCK PEN WATER)
DISTRICT FOR A CERTIFICATE OF PUBLIC)
CONVENIENCE AND NECESSITY TO CONSTRUCT)
AND FINANCE IMPROVEMENT PROJECTS) CASE NO. 2005-00231
AND TO IMPLEMENT SURCHARGES TO ITS)
EXISTING RATES PURSUANT TO KRS 278.020)
AND KRS 278.300)

**BULLOCK PEN WATER DISTRICT’S RESPONSE TO
COMMISSION STAFF’S INTERROGATORIES AND
REQUESTS FOR PRODUCTION OF DOCUMENTS**

Comes now Bullock Pen Water District (“Bullock Pen’), through its Chairman Bobby Burgess, and submits the following Response to the Commission Staff’s Interrogatories and Request for Production of Documents.

1. At Exhibit B of the application where the Phase 8 surcharge is calculated, Bullock Pen determined the surcharge amount, assuming 140 additional customers resulting from Phase 8. In Paragraph 6 of its application, Bullock Pen states that 173 customers will be added. Explain why Bullock Pen calculated the surcharge using on 140 customers.

ANSWER:

A pre-construction review and analysis of the Phase 8 Project estimated that the total potential customers was 173. After the Phase 8 Project was initiated and customer sign ups were obtained, only 140 customers signed up for water service. The actual number of customers included in the Phase 8 Project is 140.

Information provided in the answering of this Interrogatory was supplied by CMW, Inc., Mr. Kerry Odle (“Odle’) and Bullock Pen Water District, Office Manager Paula Massie (“Massie”).

2. At Exhibit G of the application where the Phase 10 surcharge is calculated, Bullock Pen determined the surcharge amount assuming 82 additional resulting from Phase 10.

In Paragraph 20 of its application, Bullock Pen states that 152 customers will be added. Explain why Bullock Pen calculated the surcharge using only 82 customers.

ANSWER:

A pre-construction review and analysis of the Phase 10 Project estimated that the total potential customers was 152. After the Phase 10 Project was initiated and customer sign ups were obtained, only 82 customers signed up for water service. The actual number of customers included in the Phase 10 Project was 82.

Information provided in the answering of this Interrogatory was supplied by Odle and Massie.

3. a. List each construction surcharge that Bullock Pen is currently assessing, the amount of the surcharge, and the construction phase that the surcharge is intended to finance.

ANSWER:

(i) Phase 5 Project:

There are currently 214 customers on the Phase 5 Project lines each paying a monthly surcharge of \$15.00. The original Phase 5 Project includes 190 customers with the amended Phase 5 A Project containing 24 customers for a total of 214 customers. This Project was approved by the PSC in Case No. 2003-00164.

(ii) Phase 7 Project:

The Phase 7 Project is currently nearing completion. Water lines are not yet in service but should be within the next 30 days. There are 45 customers who have signed up and are on line to receive water service. The surcharge for the Phase 7 Project customers will be \$12.52 per month. This surcharge and construction project was approved in Case No. 2004-00339.

Information provided in the answering of this Interrogatory was supplied by Odle, Masse, and Morris and Bressler, PSC, Ms. Peggy Lamb Gamble (“Gamble”).

b. For each surcharge listed in response to Item 3(a), state the total amount collected during the calendar year ended December 31, 2004 and recorded in Bullock Pen’s 2004 Annual report.

ANSWER:

(i) Phase 5 Project:

Bullock Pen Water District, for the calendar year ending December 31, 2004 collected \$37,755.00 in surcharges from Phase 5 Project customers.

(ii) Phase 7 Project:

No surcharges were received from Phase 7 Project customers for the calendar year ending December 31, 2004.

Information provided in the answering of this Interrogatory was supplied by Massie and Gamble.

c. State the annual report account number and title to which Bullock Pen recorded the surcharge collections.

ANSWER:

Bullock Pen recorded collection of surcharges in Account No. 432. The title of this Account is: "PROCEEDS FROM CAPITAL CONTRIBUTIONS – TAP IN FEES".

Information provided in the answering of this Interrogatory was supplied by Massie and Gamble.

d. For each surcharge listed in Item 3(a), state the number of customers to whom Bullock Pen is currently assessing each surcharge.

ANSWER:

(i) Phase 5 Project:

214 customers are currently assessed surcharges.

(ii) Phase 7 Project:

Although no customers have paid surcharges on the Phase 7 Project lines, they are expected to go in service within the next 30 days. There are currently 45 customers signed and on line to receive water service who will pay a \$12.52 per month surcharge.

Information provided in the answering of this Interrogatory was supplied by Odle, Massie and Gamble.

e. For each surcharge listed in Item 3(a), state the number of customers that Bullock Pen used to calculate the level of the proposed surcharge when submitting its application for Commission approval of that surcharge.

ANSWER:

(i) Phase 5 Project:

The Phase 5 Project surcharge was based on 145 customers. In addition to that projection, approximately 24 customers were added to the surcharge calculation when additional roads were added to the Phase 5 Project as contingencies. This addition was made possible due to an additional contribution of monies made by the Grant County Fiscal Court.

(ii) Phase 7 Project:

Surcharge calculations were based on 41 customers.

Information provided in the answering of this Interrogatory was supplied by Odle and Massie.

4. a. State the reasons that Bullock Pen used the net revenue of \$56.82 to determine the amount of the proposed surcharges.

ANSWER:

As stated in the Final Engineering Report, the \$56.82 net revenue calculation was based upon the Commission's approval of the Phase 7 Project (see Case No. 2004-00339).

Information provided in the answering of this Interrogatory was supplied by Odle, Massie and Gamble.

b. Using the information supplied in Bullock Pen's 2004 Annual Report, Bullock Pen's annual net revenue per customer for the calendar year ended December 31, 2004 is \$100.65 (Utility Operating Income \$591,139/Number of Customers 5,873). State reasons why the use of the net revenue of \$56.82 and not \$100.65 is more appropriate to determine the amount of the proposed surcharges.

ANSWER:

By Order of the Commission in Case No. 2003-00164, Bullock Pen was granted a rate increase for the first time in approximately 18 years. The first full year of revenue received by Bullock Pen from this rate increase was for the year ended December 31, 2004. After a rate increase is approved and implemented as with Bullock Pen, you would receive the highest net revenue per customer as result of that increase. However, in the following years, the net revenue per customer will obviously decrease due to increased operational expenses and costs. It was determined by the Commission based upon historical financial data that \$56.82 net revenue per customer was reasonable in evaluating the proposed rate increase and Phase 5 Project submitted in 2003. Moreover, the surcharges approved for the Phase 5 Project and Phase 7 Project were based upon similar historical revenue data. The Commission in evaluating the Phase 8 and Phase 10 surcharges should employ a “net revenue per customer” number that is more reflective of the actual net revenue which Bullock Pen will receive throughout the life of the surcharge loan. It is clearly unrealistic to use a \$100.65 net revenue per customer figure as it is based upon financial data during the first year of a rate increase. The Phase 8 and Phase 10 Project financing are based upon 25 year term loans. Therefore, net revenue per customer figures should be calculated with a 25 year term loan in mind.

The Commission, in evaluating the Phase 7 Project (Case No. 2004-00339), provided that an annual adjustment should be made to the \$12.52 per customer surcharge. Perhaps in this case, the Commission could base the surcharge on \$56.82 per customer net revenue and require a similar annual adjustment as an equitable resolution.

Information provided in the answering of this Interrogatory was supplied by Odle and Gamble.

5. Identify all extraordinary and non-recurring items included in the calculation of Bullock Pen's 2004 utility operation income as shown in its annual report.

ANSWER:

There were no extraordinary and non-recurring items included in the calculation of Bullock Pen's 2004 utility operating income as shown on its Annual Report. It should be noted, however, that Operating Revenues do include management fees of \$100,932.00 which were an addition to Bullock Pen's revenues. On April 23, 2004, Bullock Pen entered into a Management Contract with the newly created Grant County Sanitary Sewer District. Pursuant to the terms of that Management Contract (see attached Exhibit "A"), Bullock Pen agreed to provide management and day-to-day operational resources for the Grant County Sanitary Sewer District. Since the Grant County Sanitary Sewer District is a relatively small operation with no major expansion potential in the reasonably foreseeable future, this man source of revenue to Bullock Pen will, in all likelihood, continue throughout the upcoming years.

Information provided in the answering of this Interrogatory was supplied by Odle, Massie and Gamble.

6. If the Commission determines that the appropriate level of customers upon which to base the surcharge calculations for Phases 8 and 10 are 173 and 152, respectively, and that the 2004 net earnings of \$100.65 should also be used, the resulting surcharges for Phases 8 and 10 would be \$7.68 and \$1.92, respectively. At those surcharge amounts, would Bullock Pen proceed with the construction of Phases 8 and 10? If no, explain in detail.

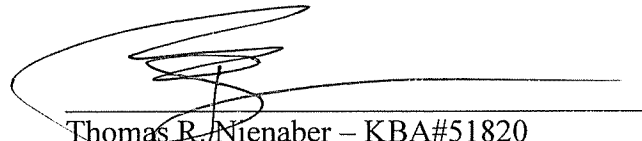
ANSWER:

Actual customer participation for the Phase 8 Project is 140 customers and for the Phase 10 Project 82 customers. As stated above, the \$100.65 per customer net revenue figure is unreasonably high and does not present a fair representation of the anticipated net revenue per customer over the life of the surcharge loans. If a \$7.68 surcharge for the Phase 8 Project and \$1.92 surcharge for the Phase 10 Project are required by the Commission, Bullock Pen could not reasonably finance these two Projects with the existing rates. If the reduced surcharges are ordered by the Commission, Bullock Pen would have to implement some other type of rate increase for all customers within the District in order to reasonably finance the Phase 8 and Phase 10 Projects.

Information provided in the answering of this Interrogatory was supplied by Odle, Massie and Gamble.

Respectfully submitted,

THE HORWITZ LAW FIRM, P.S.C.



Thomas R. Nienaber – KBA#51820
541 Buttermilk Pike, Suite 305
Crescent Springs, KY 41017
(859) 578-1000

VERIFICATION

Comes now Bobby Burgess, Chairman, Bullock Pen Water District, and states that he has read the foregoing Supplemental Application and that all statements contained therein are true and correct as he verily believes.

BULLOCK PEN WATER DISTRICT

BY: *Bobby Burgess*
BOBBY BURGESS, CHAIRMAN

COMMONWEALTH OF KENTUCKY

COUNTY OF GRANT

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me by the said BOBBY BURGESS, Chairman of the Bullock Pen Water District, this 23 day of August, 2005.

Paula d. Massie
Notary Public
My Commission Expires: 9-15-2007

MANAGEMENT AND OPERATIONAL SERVICES AGREEMENT

THIS MANAGEMENT AND OPERATIONAL SERVICES AGREEMENT ("Agreement") is made and entered into this 22 day of ~~July~~ 2004 by and between the BULLOCK PEN WATER DISTRICT, a duly created and operating water authority pursuant to the provisions of KRS Chapter 74 by and through Bobby Burgess, its Chairman, One Farrell Drive, Crittenden, Kentucky 41030 ("BPWD"), and GRANT COUNTY SANITARY SEWER DISTRICT, a duly created sewer utility pursuant to KRS Chapter 67 by and through Bobby Burgess, its Chairman, One Farrell Drive, Crittenden, Kentucky 41030 ("GCSSD").

WHEREAS, GCSSD is a functioning sewer district providing sanitary sewer services within portions of Grant County, Kentucky, having been created by Ordinance of the Grant County Fiscal Court pursuant to the provisions of KRS Chapters 74 and 67, and

WHEREAS, BPWD is an operating water authority created pursuant to the provisions of KRS Chapter 74, and

WHEREAS, GCSSD has recently purchased the entire City of Crittenden Sanitary Sewer System including, but not limited to its collection systems, treatment plant and related facilities, and

WHEREAS, pursuant to the Grant County Fiscal Court Ordinance creating GCSSD, BPWD was directed pursuant to the provisions of KRS Chapter 74 to provide various management services, and

WHEREAS, GCSSD and BPWD intend to enter into a Management and Operations Agreement pursuant to the terms and conditions set forth here in.

NOW, THEREFORE, in consideration of the foregoing premises and mutual promises and undertakings hereinafter specified, the parties agree as follows:

I. INTENT AND PURPOSE

It is the intent and purpose of this Agreement to enable BPWD in providing management, employee, maintenance and operational services including but not limited to operational personnel, both field and office; maintenance and operational equipment and office facilities related to equipment and personnel to assist GCSSD in the day-to-day operation of its sanitary sewer systems located in portions of Grant County. It is acknowledged by the parties hereto that GCSSD currently has no staff or employees available to provide various maintenance and operational functions for its sanitary sewer system nor does GCSSD have the necessary equipment to provide the day-to-day operations of its system. In addition to its field personnel, the parties also intend that BPWD will provide office space, office personnel and the necessary office equipment in order to provide necessary basic office functions for GCSSD. It is the intent of the parties hereto that many of the management and operational services being provided by BPWD for GCSSD shall continue until such time as it is financially feasible for GCSSD to acquire and maintain its own employee and equipment base. In consideration therefore, the

parties desire to provide a compensation system whereby BPWD may receive fair and reasonable compensation for goods and services rendered per this Agreement.

II. EMPLOYEE SERVICES

BPWD shall provide the necessary labor and maintenance services reasonably necessary to meet the minimal day-to-day operational requirements of GCSSD. In consideration therefore, GCSSD shall pay to BPWD reasonable hourly compensation for all employees of BPWD providing services for the benefit of GCSSD. On or before the 10th day of each month, BPWD shall submit an invoice to GCSSD for all employee services being charged during the preceding calendar month. Charges for employee services will be made in increments of one-quarter (1/4) hour based upon the following employee rate schedule:

<u>Employee Name</u>	<u>Hourly Charge</u>
William R. Catlett	\$51.67
Paula Massie	\$39.49
Gail Bowling	\$30.17
Suzanne Epperson	\$19.50
Dianne Cook	\$21.57
William L. Catlett	\$43.65
Eugene Dunn	\$33.41
Michael Duley	\$31.16
Gordon D. Simpson	\$23.53
Brian D. Simpson	\$29.18
Michael Mason	\$20.10
Bobby Simpson	\$16.19
Aaron Caldwell	\$26.91

It is acknowledged by the parties hereto that BPWD will make every effort to dispatch an employee to perform needed employee services with a skill level commensurate with the task to be performed. It is further acknowledged by the parties hereto that in some cases, an employee with superior skill levels (and higher pay rate) may be called upon to perform a service for which that dispatched employee may be over qualified. Notwithstanding, BPWD shall be compensated at the above rate schedule for that employee actually performing the service.

III. EQUIPMENT

It is acknowledged by the parties hereto that BPWD owns various equipment, machinery, tools, etc. which would be necessary for GCSSD to utilize in the maintenance and operation of its sanitary sewer collection and treatment system. That equipment includes but is not necessarily limited to trucks, backhoe, loaders, dump truck and trailer, etc. The parties agree and acknowledge that the use of that equipment will be necessary from time-to-time in order for BPWD to provide the requisite maintenance, repair and employment services for the day-to-day operational systems of GCSSD. Therefore, GCSSD agrees that it will, from time to time, utilize BPWD's equipment in order to provide those maintenance and operational functions for which GCSSD shall pay BPWD reasonable compensation. The parties agree that reasonable

compensation for the items of equipment shall be charged pursuant to the following rate schedule. Hourly rates for equipment will be billed to GCSSD in hourly increments. Monthly statements shall be forwarded to GCSSD by BPWD by the 10th day of each month for all equipment fee charges incurred during the preceding calendar month. Rate schedules for equipment shall be as follows:

<u>Equipment Identification</u>	<u>Hourly Rate</u>
1. Backhoe and trailer	\$65.00 per hour
2. Pickup truck	\$25.00 per hour and \$.50 per mile
3. Dump truck	\$35.00 per hour

It is further acknowledged by GCSSD that BPWD will be called upon from time to time to utilize other equipment, tools and related materials necessary in performing maintenance and/or day to day operational functions for GCSSD. In the event that any additional equipment owned by BPWD is utilized for that purpose, BPWD may charge a reasonable fee for the rental of such equipment.

IV. MATERIALS AND SUPPLIES

It is the intention of the parties hereto that GCSSD shall purchase in its own name all materials, supplies and related goods reasonably necessary for the full and complete day-to-day operation of its sanitary sewer collection and treatment system. However, it is acknowledged by the parties hereto that under certain circumstances, it will not be feasible for GCSSD to make purchases of same supplies, goods and materials on an as needed basis particularly as it relates to materials and goods necessary for emergency repairs and maintenance of the sanitary collection and/or treatment system. In the event that BPWD is required to make any purchase of materials, goods or supplies for the benefit of GCSSD, BPWD shall be compensated for the actual cost of those goods and supplies purchased. Charges for all materials, goods and supplies purchased by BPWD for the benefit of GCSSD shall be submitted to GCSSD on or before the 10th day of each month for all charges incurred during the preceding calendar month.

V. MANAGEMENT SERVICES

BPWD shall provide full and complete management and operational services for GCSSD which are reasonably and necessarily required for the conduct of the day-to-day maintenance and operation of the Grant County sewer collection and treatment system. Such management and operational services shall include but not be limited to the following:

a. Management and oversight of all GCSSD sewer system operations including plant operations; collections systems operations; maintenance management scheduling and the like;

b. Purchasing and requisition of all materials goods and supplies reasonably necessary for the conduct, operation and maintenance of GCSSD sewer treatment and collection system;

- c. Office and related personnel services;
- d. Contracting of all outside and third-party maintenance repair and related service contracts reasonably necessary for the maintenance and operation of GCSSD sanitary sewer system and collection system;
- e. Completion and filing of all reports and other documentation as may be required by any federal, state, local or other governmental agency;
- f. Maintaining and conducting all financial operations of GCSSD including but not limited to the payment of its monthly obligations and debts, establishing and maintaining all bank accounts;
- g. Billing and collection for all sanitary sewer service charges; and
- h. Maintaining all financial records including bank accounts, income and expense statements, financial statements and any and all other financial records reasonably necessary or required in the day-to-day conduct of the Grant County's sewer system.
- i. Any and all other services reasonably necessary or required in the day-to-day operations of the GCSSD sanitary sewer treatment system.
- j. Performing all customer relation functions, monitoring phones, receiving and handling customer complaints in the day-to-day operation of the GCSSD sanitary sewer treatment system.
- k. In the event GCSSD hires any employee(s) subsequent hereto, BPWD shall provide all supervisory and managerial control over such employee(s).

VI. OFFICE/PHYSICAL PLANT

It is acknowledged by the parties hereto that BPWD shall provide office space and related office equipment and facilities reasonably necessary for GCSSD to conduct the day-to-day operations of its sanitary sewer treatment system. In consideration therefore, GCSSD shall pay to BPWD the sum of One Thousand Five Hundred Dollars (\$1,500.00) each month representing rent for office space and related equipment. The office space being leased to GCSSD shall consist of approximately 250 square feet and will be located at:

One Farrell Drive
P.O. Box 460
Crittenden, KY 41030

It is acknowledged by the parties hereto that in providing general office services, BPWD will be required to use various items of office equipment including but not limited to office supplies, computers, typewriters, fax machines, card burster, scanners, paper, toner, and related office supplies. GCSSD agrees that it will purchase as much of those supplies as is

reasonably allocated to GCSSD's office needs. However, it is acknowledged that under certain circumstances, it would be difficult to allocate an exact cost associated with those miscellaneous office supplies. Accordingly, BPWD shall provide such supplies and materials on an as needed basis with the cost thereof being included in the monthly rental provided for above. However, any office expense for materials and supplies unique to GCSSD shall be paid for by GCSSD. Supplies for which GCSSD shall be responsible include but are not be limited to stationery and letterhead; telephone; post office box; fax machine; postage meter; filing cabinets; desks and related office furniture; and the like.

VII. PROFESSIONAL SERVICES

GCSSD shall be responsible for all professional services incurred by GCSSD in the operation and conduct of its sanitary sewer treatment system. Such services shall include but not be limited to financial, accounting, legal and engineering.

VIII. MISCELLANEOUS PROVISIONS

A. Either party may terminate this Agreement upon ninety (90) days notice to the other.

B. This Agreement shall not be modified, changed or altered except that it be done in writing and signed by both parties.

C. The parties acknowledge that this Agreement is being signed pursuant to duly authorized and adopted Resolution of their respective governing bodies in conformity with all laws and regulations.

D. It is the intention of the parties hereto that whenever possible, GCSSD shall purchase any and all materials, supplies and goods in its own name and on its own behalf. The provisions set forth in this Agreement are merely to fill any gaps in services, goods, supplies and/or materials that may be reasonably necessary in the day to day operation and management of GCSSD sanitary sewers treatment and/or collection systems.

E. In the event that BPWD is required to incur any debt in the name of GCSSD which exceeds One Thousand Dollars (\$1,000.00), BPWD shall first obtain permission of GCSSD before incurring such debt unless there is an emergency situation where obtaining pre-approval would be impractical or impossible.

F. BPWD shall not become financially responsible for any obligation incurred for, on behalf of, or in the name of GCSSD, GCSSD agreeing to indemnify and hold harmless BPWD from any and all such obligations or indebtedness so incurred.

G. GCSSD agrees to indemnify and hold BPWD harmless for many and all claims, causes of action or demands made by any third party against BPWD, its employees, agents and representatives regarding all claims that arise by, from or through BPWD's providing of services pursuant to the terms and conditions of this Agreement. Such indemnification shall include but not limited to the reimbursement to BPWD of any and all legal costs, professional

fees or other expenses incurred by BPWD in the defense and/or prosecution of any such claim cause of action or demand.

H. Nothing in this Agreement shall be construed to obligate BPWD or render BPWD financially responsible for any debts or obligations of GCSSD which shall include but not be limited to GCSSD current bond obligation to all KWRFC in the appropriate amount of \$1,500,000. GCSSD agrees that it will remain solely responsible and liable for any and all obligations and financial payments due and owing KWRFC.

I. Notwithstanding any term, condition or covenant set herein, GCSSD shall be solely responsible for securing and paying for the following debts and obligations:

- i. Any and all bond debt obligations due and owing KWRFC.
- ii. All costs and/or fees associated with permitting and/or licensing of any employee of GCSSD and/or its treatment plant and/or collection systems.
- iii. Preparation of all financial documents and professional fees associated therewith.
- iv. All legal, engineering and related professional fees.
- v. The cost, maintenance and insuring, where applicable, of any real or personal property purchased by GCSSD subsequent to the execution of this Agreement.

J. All payments required of BCSSD shall be made to BPWD no later than the 15th day of each month. Any late payment shall bear interest at the rate of 1.5% per month or any portion thereof.

K. Grant County shall be responsible for securing and paying for all insurance coverage necessarily required to cover GCSSD against all potential loss or claims arising by, from or through the operation of the GCSSD. It is acknowledged by the parties hereto that under certain circumstances, GCSSD may receive better insurance rates and coverages if those coverages are purchased through BPWD. Both parties agree that they shall reasonably cooperate with the other with respect to the purchasing and maintaining of all necessary insurance coverage. In those instances where insurance coverage for GCSSD is purchased through BPWD, GCSSD shall be responsible for reimbursing BPWD for any increased cost. Notwithstanding the foregoing provisions, GCSSD shall be responsible for securing and paying for the following insurance coverages:

- i. All worker's compensation insurance and/or premiums;

- ii. Comprehensive insurance coverage insuring GCSSD and/or its assets, including but not limited to lift stations, treatment plant, equipment; collection systems and the like;
- iii. Comprehensive products liability and general public liability insuring GCSSD against all loss arising by, from or through the operation of GCSSD;
- iv. Motor vehicle coverage, including a comprehensive liability insurance coverage package;
- v. Directors, officers and employee related claims coverage;
- vi. Any and all other insurance coverage which the parties may mutually agree upon.

GCSSD shall name BPWD as a co-insured on all insurance policies where possible.

IN WITNESS WHEREOF, the parties hereto set their hand on the date first hereinabove written.

BULLOCK PEN WATER DISTRICT

BY: *Bobby Burgess*
BOBBY BURGESS, CHAIRMAN

GRANT COUNTY SANITARY SEWER DISTRICT

BY: *Bobby Burgess*
BOBBY BURGESS, CHAIRMAN