

Hardin County Water District No. 1

Serving Radcliff and Hardin County for Over 50 Years

1400 Rogersville Road
Radcliff, KY. 40160

September 5, 2006

Ms. Beth A. O'Donnell
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, KY 40602-0615

RECEIVED

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PUBLIC SERVICE
COMMISSION

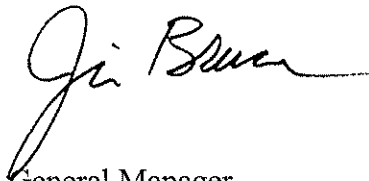
**SUBJECT: Response to First Data Request - Case 2006-00186
Request for Deviation - Water Main Extension Reimbursements**

Dear Director O'Donnell;

Enclosed please find an original and eight copies of our responses to Data Request 1, which was on the Commission order dated July 7, 2006. We requested an extension to the filing date, which was approved by the Commission on July 26, 2006, and provided a new deadline of September 7, 2006.

We believe this submittal provides all the information requested, to the best of our knowledge. If you need more information, please do not hesitate to contact us. We look forward to a speedy review and answer to our original request, dated May 3, 2006.

Sincerely,



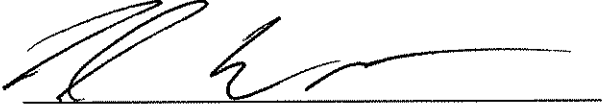
Jim Bruce, General Manager

Encl; Original and 8 Copies

Cf; Mr. David Wilson, Attorney, HCWD1
Mr. William J. Rissel, HCWD1 Chairperson

CERTIFICATE OF SERVICE

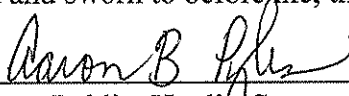
I, David T. Wilson II, having fully read and understands the foregoing RESPONSE TO DATA REQUEST 1 by and for the Hardin County Water District No. 1 and knows the contents thereof; and that the same information is accurate and correct to the best of my knowledge, except as to matters which are therein stated on information or belief and that as to those matters, I believe to be true and correct.



Mr. David T. Wilson II, Esq.
Attorney for Hardin County Water District No. 1
Skeeters, Bennett & Wilson

NOTARY:

Subscribed and sworn to before me, this ~~September 6~~^{6th} day of September, 2006.



Notary Public, Hardin County, Commonwealth of Kentucky

My Commission Expires: October 30, 2008

1. State whether HCWD1 is requesting a deviation from 807 KAR 5:066, Section 11, for all water main extensions regardless of the person or entity for whom the extension is made.

Response: The District requested that this deviation apply to "for profit" entities or projects. The District is open to allow refunds be provided to individual homeowners, or groups of homeowners.

(Responsible Witness / Individual: Mr. Jim Bruce, General Manager)

2. State whether HCWD1 is proposing to eliminate refunds to non-real estate subdivision development water main extensions.

Response: Yes, but would not be opposed to allowing individual homeowners to receive refunds, as outlined in KAR 807 5:066, Section 11, which states;

“(1) Normal extension. An extension of fifty (50) feet or less shall be made by a utility to its existing distribution main without charge for a prospective customer who shall apply for and contract to use service for one (1) year or more.”

The District's initial request would include individual customers homeowner be excluded. Most of our WME agreements have been requested by developers, that do not become customers. The District would not be opposed, however, to homeowners seeking reimbursement or sharing in the cost of an extension project.

(Responsible Witness / Individual: Mr. Jim Bruce, General Manager)

3. State whether HCWD1 agrees that it has a statutory duty to extend water service to all persons within its territory regardless of who constructed the residence or the structure being served. Explain.

Response: During the 2000 General Assembly, the Governor's office endorsed and encapsulated in statute via bipartisan passage of SB 409 (which was later skeletally codified in KRS 224A) which was intended "to provide access to potable water to all Kentuckians by 2020". Outside of this legislation and statewide effort, the District is not aware of any " statutory duty to water districts to service all persons within its territory.

The District believes that the language in SB 409 envisioned "access" being provided to existing "unserved" (or households having no access to safe drinking water) and "under-served" (households that routinely did not have adequate volume or pressure to assure a safe drinking water supply) Kentucky households. The term "existing" was not explicitly cited in the legislation. However, it is still reasonable to assume, now almost seven years later, that it was not made explicit because goal of the legislation was and is obviously intended to impact and benefit in-place rural community residents.

The legislation evolved from a common understanding and proceeded in an effort to address the all too common experience of rural families faced with ground water supply depletion and deterioration and their struggle to balance costly on-site treatment (for those whose supply was/is treatable) or relocation.

The District does not believe, nor knows of other utilities, customers or municipalities who would agree, that it is a "duty" of a water district or municipal system to financially support -- in whole or in part -- a line extension to a planned, private, speculative, residential or commercial development. If a community, in support of other developmental considerations (such as an incentive to encourage development to promote economic growth), is capable of providing some level of financial subsidy to support infrastructure development as an "investment" that would be their choice or prerogative as long as; a) there are no statutory or funding agency prohibitions (local, state, federal), and, b) any short or long term impacts on existing customer rates are identified and communicated to those customers prior to such action and, c) its done equitably.

The District believes there is a clear difference between reimbursement of water main costs to a "private, speculative developer" versus those projects which go the 'common good' (i.e., those unserved/underserved by potable water) which later project was a direct response to public policy, which may and has included public funding through grants and low interest loans. It also seems apparent that the legislative action in SB 409, and subsequent grants and low interest loans, distinguished between extending water to the "under-served" and "existing" public, and those projects that would have directly benefitted the private, for profit developer of a sub-division where homes do not yet exist. The District would also assume that of the hundreds of millions of dollars spent and issued in grants since 2000, none have been spent to reimburse a developer for their water mains being installed in their new subdivision development.

Finally, the District's county expansion projects have been carefully designed, planned and funded over a period of time, and in accordance with the District's ability to fund, in a manner that the District controls the cash flow, commitment of funds, and within the fiscal ability of the District. These projects have also required the oversight and approval of the Commission. In contrast, payment to developers for their project water mains are completely out of the control of the District, the funding and cash outlay not reviewed or approved by the Commission, and depending on the rate of growth, could easily outstrip the District's ability to provide refunds without depleting their reserves, or require a dedicated customer rate increase to provide refunds to developers.

(Responsible Witness / Individual: Mr. Jim Bruce, General Manager)

4. State whether it is HCWD1's position that a water district has no obligation to finance or pay any portion of a water main extension that will serve additional customers. Explain.

Response: No, that is not the District's position. As stated in the District's filing, the District does believe it is sound public policy or sound management policy to require existing customers to subsidize "for profit" development, especially if the costs are recovered in the sale of the lot and/or house. The District views these costs as all other development costs (which ownership and future replacement and maintenance will be turned over to local government or local utilities), the same as streets, streets public right of way, electric, sewer, storm drainage, curb, gutter & sidewalk, open areas, etc. and are all development costs. Just as the local planning and zoning does not reimburse for excavation costs or the city does not reimburse for the costs of installing streets, the District does believe it is sound public policy or sound management policy to require existing customers to subsidize "for profit" development.

The District clearly has financed large scale county extension project, in response to the initiative referred to under question 3. Those projects, however, were not a response to an individual or multiple requests from customers to make the extension, but to respond to a state-wide initiative to make potable water available to all Kentucky residents on public roads. See also District's response to Question 3.

Again, the District is not opposed to excluding individual home owners from this deviation.

(Responsible Witness / Individual: Mr. Jim Bruce, General Manager)

5. Provide a copy of all HCWD1's internal policies and procedures regarding the reimbursement of the costs of water main extensions.

Response: The requested items follow this page.

(Responsible Witness / Individual: Mr. Jim Bruce, General Manager)

HARDIN COUNTY WATER DISTRICT NO. 1

Date: July 20, 1988

Policy for Water Main Extension of Service to Individual Applicants or Groups of Individual Applicants.

The District shall determine the total cost of the proposed water main extension (exclusive of the meter connections) and the total length of the extension. The District shall pay that portion of the cost of the water main extension equal to 50 feet for each applicant for service. That part of the cost not covered by the Districts portion shall be contributed equally by those applicants desiring service on the main extension. That contribution must be deposited with the utility prior to awarding any contracts required for the construction of the main extension or the initiation of construction by the District. Each applicant will also be required to pay the approved "Tap-on fee" for a meter connection to the main extension.

For a period of ten (10) years after the original construction of the main extension each additional customer directly connected to each particular extension will be required to contribute to the cost of that water main extension based on a recomputation of both the Districts portion of the total cost and each customer's contribution as set out above. The District will 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. In addition, each customer must pay the approved "Tap-on fee" applicable at the time of their application for the meter connection. The "Tap-on fee" is not part of the refundable cost of the extension and may be changed during the refund period. After the ten (10) year refund period expires, any additional customer applying for service on each main extension will be connected for the amount of the approved "Tap-on fee" only.

In no case, shall the amount refunded exceed the amount of the original contract.

HARDIN COUNTY WATER DISTRICT NO. 1

Date: April 5, 1995

Policy for Water Main Extension of Service to Individual Applicants or Groups of Individual Applicants

The District shall determine the total cost of the proposed water main extension (exclusive of the meter connections) and the total length of the extension. The District shall pay that portion of the cost of the water main extension equal to 50 feet for each applicant for service. That part of the cost not covered by the District's portion shall be contributed equally by those applicants desiring service on the main extension. That contribution must be deposited with the utility prior to awarding any contracts required for the construction by the District. Each applicant will also be required to pay the approved "Tap-on fee" for a meter connection to the main extension.

For a period of (10) years after the original construction of the main extension each additional customer directly connected to each particular extension will be required to contribute to the cost of that water main extension based on a recomputation of both the District's portion of the total cost and each customer's contribution as set out above. The District will 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. In addition, each customer must pay the approved "Tap-on fee" applicable at the time of their application for the meter connection. The "Tap-on fee" is not part of the refundable cost of the extension and may be changed during the refund period. After the ten (10) year refund period expires, any additional customer applying for service on each main extension will be connected for the amount of the approved "Tap-on fee" only.

In no case, shall the amount refunded exceed the amount of the original contract.

Hardin County Water District No. 1

Serving Radcliff and Hardin County for Over 40 Years

1400 Rogersville Road
Radcliff, KY. 40160

HCWD#1 Water Main Extension Policy

(As approved by Public Service Commission and HCWD#1 Commission)

1. Developer contacts District about availability of water and size and location of main that must be extended
2. The District and Developer will work together to complete an estimate of the total project cost.
3. If project total is over \$2,000, developer must have plans prepared by Professional Engineer and submit to Division of Water for approval. Per Division of Water plan review requirements, Technical Memorandum PRM 2001-1, June 22, 2001, the District's engineer must complete a simulated computer modeling analysis of the proposed project which results must be submitted with the plans to the Division of Water. A fee of \$150 will be paid to the DOW by the developer.
4. After approval, the Developer and District will enter into a Water Main Extension Agreement.
5. Depending on the terms of the agreement, the Developer would give the District a deposit for the materials, estimated District labor and previous District engineering costs. (In some cases, the District might install the main in which case the Developer would pay a total deposit up front for materials and District labor, or, some other bond or assurance of payment)
6. After installation and inspection of the new lines, the District would then accept the mains. After one year, maintenance, repair and replacement of the main would become the responsibility of the District.
7. Upon accounting of the actual project cost, the District would either send the Developer a refund, or require an additional payment to adjust the estimate to actual costs.
8. For a period of ten years, the District will refund to the Developer the agreed 50 foot equivalent cost of the project, after additional water taps are sold off the extended main.

(Rev. August, 2001)

Water Main Extension Project Checklist

Hardin County Water District No. 1

Project Name: _____ Agt. No. _____

Developer Name: _____ CIP No. _____

PHASE	ITEM / TASK	RESPONSIBLE PERSON(S)	DATE COMPLETED INITIALS
Planning / Design	Review Utility Plan and Compare to Construction Standards and other regulations	Distribution and or GM along with Engineer	
	Finalize design of plans	Engineer	
	Send plans to Quest for hydraulic modeling	Distribution or Engineer	
	Modeling completed with engineering memo	Quest Engineers	
	District letter written to DOW stating service available	GM	
	Letter, plans and modeling forwarded to DOW for review and permit (\$150 required if non-District owned project)	Engineer	
	Permit Received by DOW (good for 1 year)	District & Engineer	
	Engineer or Owner Contacted	District	
Water Main Extension Agreement	Project Cost Estimated Using; Materials Estimate, District Labor, Equipment & Misc costs, Quest Modeling, Owner Contractor costs, Owner Engineer Costs	Distribution Supervisor	
	Spreadsheet Estimate sent to GM	Distribution Supervisor	
	Agreement form filled in based on estimate	GM	
	Agreement signed and deposit received for District costs, Quest engineering and materials	GM and Owner	
	Set up Construction in Progress account number	Accounting Spec.	
Construction / Installation	Project start and materials ordered to site	Distribution Supervisor	
	Inspection during installation	Distribution Inspector	
	Final disinfection / pressure testing	Distribution Inspector	
	All District labor, equipment and materials charged to CIP number	Distribution Supervisor	
	Bac-T Tests taken and results received	Distribution Inspector	
Project Close-Out	Design engineer writes certification letter to DOW	Distribution Supervisor	
	Check that all costs charged to CIP number	Distribution Supervisor	
	Project Estimate spreadsheet converted to Final Costs	GM	
	Add system/meters to GIS Mapping using GPS Points	GIS Specialist	
	Letter written to Owner with any refunds of deposit overpayment, additional funds request to cover higher costs and any refunds currently due for new taps	GM	
	One Year Warranty inspection and notify owner of any corrections (in 11 th month)	Distribution Inspector	
Accounting Close Out - Refund Processing	Journal entries to move Distribution expenses to CIP number, CIP zeroed out and balance added to asset account	Accounting Spec.	
	New taps installed in subdivision coded to project number	Distribution	
	Accounting gets notice of taps installed, pays any refunds due quarterly	Accounting	
	Annual Liability shown on financial reports of unpaid refunds	Accounting	

6. Provide a copy of all correspondence, internal memoranda, electronic mail messages, and other internal documents in which HCWD1's officials discuss HCWD1's existing water main distribution policies and procedures, their effect on the water district, or revisions to those policies and procedures.

Response: The requested items are enclosed in the Appendix.

(Responsible Witness / Individual: Mr. Jim Bruce, General Manager)

7. Provide a copy of the minutes of all meetings of HCWD1's Board of Commissioners in which, the issue of refunds to developers for real estate subdivision development water main extensions was discussed.

Response: The requested items are enclosed in the Appendix.

(Responsible Witness / Individual: Mr. Jim Bruce, General Manager)

8. State whether HCWD1 agrees with the following statement: "The practical effect of approving HCWD1's proposal is the elimination of any mandatory obligation of HCWD1 to fund or contribute to the funding of any water main extension."

Response: No. The District is currently working on additional plans to extend water mains on public roads, to *existing homes*, with *potential customers*. As previously stated, the District is not opposed to exempting individual home/land owners from this deviation, which if adopted, would also provide assistance for main extensions for an individual homeowner, or a group of homeowner's request. The District believes its intent in requesting the deviation was to promote sound public policy or sound management policy by stopping any subsidizing of "for profit" development who were recovering development costs at the expense of the District's current, existing customers.

(Responsible Witness / Individual: Mr. Jim Bruce, General Manager)

9. State whether HCWD1 agrees that a water utility has an obligation to plan for customer growth in its service territory and to construct the necessary facilities to serve that growth. Explain.

Response: The District's Board is appointed to properly maintain and finance the continuing operations of the existing utility system and assets, and to plan for the future growth of the system. As stated in the original request, the District does not believe it sound public policy or sound management policy to require existing customers to subsidize "for profit" development, using funds provided by its existing customers. The District does believe capital projects which improve the overall service to all customers, or large regions of customers, which includes addressing the impacts of past growth and predictable growth within a region, is the responsibility of the District and proper use of its customers revenues.

(Responsible Witness / Individual: Mr. Jim Bruce, General Manager)

10. a. State whether, in HCWD1's opinion, a water utility's existing customers should not be required to bear any costs associated with the construction of water mains to serve new customers. Explain.

Response: No, existing customers should and do bear the costs associated with the construction of water mains for county expansion projects in response to state-wide public policy (See response to Question 3), which projects initially are intended to provide water service to the "unserved" or "underserved", but also have the consequence of providing water to other new homes along those same roads. Again, the District does not think it is sound public policy or sound management policy to require existing customers to subsidize "for profit" development.

- 10 b. State whether, in HCWD1's opinion, a water utility's new customers who are located in areas to which water mains have recently been extended have any obligation to support or finance the replacement of existing water mains that serve customers who are located in areas that the water utility has long served.

Response: Yes. Any new county expansion projects, on existing public roads to bring water to existing homes, is and has been financed by new debt (which is being paid for by all customers) or a state grant (See response to Question 3). Replacement of existing mains is paid for by all current customers through depreciation expense, and it is the responsibility to plan for and fund those replacement projects.

(Responsible Witness / Individual: Mr. Jim Bruce, General Manager)

11. State whether HCWD1 has published notice of application for a deviation from 807 KAR 5:066, Section 11. If no, explain why not.

Response: No. The District cannot find a public notice requirement in KAR 5:066, Section 11. The District in its request for deviation, did not include any change to its existing tariff, or propose a new tariff or new rates. It was the District's understanding that there is no public notice requirement in filing for a deviation from regulations.

The District's two previous requests for deviation (December 9, 2003 to allow use of EFM meters and June 9, 2005, suspension of meter testing) were both filed and approved by the Commission with no public notice made or required by the Commission.

(Responsible Witness / Individual: Mr. Jim Bruce, General Manager)

12. Describe the efforts that HCWD1 has made to provide public notice of its application for a deviation from KAR 807 5:066, Section 11. State whether these efforts include notice to local real estate subdivision developers and home builder associations.

Response: See response to Question 11.

(Responsible Witness / Individual: Mr. Jim Bruce, General Manager)

13. State whether HCWD1 uses a standardized water main extension reimbursement agreement. If HCWD1 uses a standardized agreement, provide a copy of this agreement.

Response: Yes. The requested item follows this page.

(Responsible Witness / Individual: Mr. Jim Bruce, General Manager)

WATER MAIN EXTENSION AGREEMENT

Per Authority of 807 KAR 5:066 Section 12(4)

AGREEMENT #: 04-2005

1. This Agreement is made by and between Hardin County Water District No. 1 ("District") of 1400 Rogersville Road, Radcliff, Kentucky, 40160 and Glenn S. & Sandra G. Turner ("Applicant"). All parties of interest in this agreement are identified by signature hereon.
2. The DISTRICT and APPLICANT(S) hereby set forth certain terms under which the DISTRICT shall, upon execution of this Agreement and receipt of the APPLICANTS share of the estimated cost of the water main extension ("PROJECT"), extend a water main approximately 3200 feet. For the purposes of this Agreement this PROJECT shall also be known as the "Shelton Woods Place", water main extension. The PROJECT beginning and ending points are described as follows:

Beginning at: the existing 8" water main on Shelton Road

Ending at: Lot 39, Shelton Woods Place including Stockton Ct., Kenilworth Ct. and Braxton Ct.
As noted on original DoW approved water plans dated April 5, 2005
3. Both parties agree that the DISTRICT shall decide if the PROJECT shall be built by the DISTRICT, the APPLICANT or an agent of either party. The DISTRICT may also choose to provide labor or materials as a portion or all of the DISTRICT's financial obligation to the PROJECT. Such decision shall be made by the DISTRICT and shall be made on the basis of the best financial choice for the DISTRICT and it's customers. It is further agreed that the PROJECT shall be constructed in accordance with the DISTRICT's current adopted Standard Construction Specifications. Construction consists of approximately 3200 feet of six inch PVC pipe (DR-14) , 15 valve(s), 8 fire hydrants and related fittings as described in the approved plans.
4. The DISTRICT's initial estimated contribution for each of fifty (50) lineal feet section ("Unit Price") equals \$1,196.19, based on the attached description work sheet (see Addendum #1). The APPLICANT's final contribution of \$19,139.10 is based on the DISTRICT's construction cost total estimated PROJECT cost of \$76,556.40 an estimate made with due diligence to the details of construction requirements for this particular PROJECT. Increases to the Unit Price will be paid only if the APPLICANT has notified the DISTRICT in writing prior to the costs being incurred and the Unit Price will only be increased if agreed to in advance by the DISTRICT.
5. Upon completion of the PROJECT, an actual accounting of the total PROJECT cost will be determined by the DISTRICT and the APPLICANT's required contribution will be adjusted based on the actual approved cost of the PROJECT. The APPLICANT will receive a refund from the DISTRICT should the final PROJECT cost be less than the approved actual amount. If the approved actual amount is more than the estimated APPLICANT's contribution, the APPLICANT agrees to pay the additional amount.
6. The DISTRICT further agrees, for a period of ten (10) years, to refund to the original APPLICANT the Unit Price for each new water service connected to the water main installed

per this Agreement. In no instance will the amount of refund(s) to the APPLICANT exceed the DISTRICT's total approved actual amount for the PROJECT. Based on the initial estimate, which may be adjusted after the final project costs are determined, the maximum amount of refund to the APPLICANT would be \$57,417.30.

7. Before proceeding with construction, the DISTRICT must obtain approval of the Natural Resources and Environmental Protection Cabinet's Division of Water and all other approvals and permits that may be required for the PROJECT. In the event that there is a need to obtain easements or rights-of-way for the PROJECT, the DISTRICT and the APPLICANT will engage in a cooperative effort to acquire the same as needed. The DISTRICT will proceed on all matters that are required prior to constructing the PROJECT to ensure delays are minimized.
8. The DISTRICT shall inspect all of the work for the PROJECT and notify the APPLICANT in writing of any corrections or adjustments that may be needed to insure proper installation of the PROJECT. The APPLICANT agrees to make all requested adjustments or corrections in a timely manner. Upon acceptance of the PROJECT, the DISTRICT shall notify the APPLICANT in writing that the PROJECT has been accepted and ownership of the PROJECT transferred to the DISTRICT. The APPLICANT also agrees to provide, after PROJECT completion, a letter or affidavit from a licensed engineer verifying that the work completed by the APPLICANT or APPLICANT's agent was satisfactorily installed in accordance with the terms and requirements of this agreement.
9. If within one (1) year of the acceptance date any work performed by the APPLICANT, or the APPLICANT's agent, is found to be defective, the APPLICANT shall promptly and without cost to the DISTRICT correct such defective work to the satisfaction of the DISTRICT. Any work which is repaired or replaced shall also be inspected, accepted and guaranteed as the original work as described in this paragraph. In the event that any guaranteed work is not repaired or adjusted in a reasonable time, the DISTRICT may do so and charge the APPLICANT any costs incurred by the DISTRICT.
10. After completion and acceptance of the PROJECT, metered service connections will be installed for each Connection Charge paid. The Connection Charge shall be based on the size of the tap requested and shall be the current charge in affect at the time of the service request.
11. This agreement will remain in affect for ten (10) years from the date that the PROJECT is installed and accepted by the DISTRICT.

IN TESTIMONY WHEREOF, witness the signatures of the Parties, this 9th day of SEPTEMBER, 2005.

HARDIN COUNTY WATER DISTRICT No. 1

BY: James Bruce
TITLE: GENERAL MANAGER

APPLICANT(s)

BY: [Signature]
BY: Glenn Turner 9/2/05

STATE OF KENTUCKY:

COUNTY OF HARDIN:

The foregoing instrument was executed, acknowledged, subscribed and sworn before me this 9th day of Sept., 2005, by AARON B. LYLES

My commission expires: Oct 30, 2008

[Signature]
NOTARY PUBLIC

Shelton Woods Place
Estimate 07/13/2005

Quantity	Materials	Unit Cost	Total	Materials Received
1	8" x 6" Fast Tap Tapping Sleeve CI	\$259.00	\$259.00	
1	8" Tapping Valve	\$365.00	\$365.00	
3200	8" C-900 DR14 Pipe	\$4.00	\$13,088.00	
3200	#12 Softd Tracer Wire	\$0.08	\$256.00	
20	10" Steel Casing	\$13.99	\$279.80	
2	10" x 6" Casing End Seal	\$59.00	\$118.00	
3	10" x 6" Casing Spacers	\$36.00	\$108.00	
8	42" Bury 3 Way Fire Hydrant	\$911.00	\$7,288.00	
14	6" MJ Gate Valve	\$259.00	\$3,626.00	
7	8" MJ Tee	\$69.00	\$483.00	
5	45 MJ Bend	\$46.22	\$231.10	
15	36"-42" CI Screw Type Valve Box	\$30.00	\$450.00	
68	6" Restrainer Pak	\$27.99	\$1,903.32	
20	6" x 1" Saddle C-900 S90-604	\$21.00	\$420.00	
20	1" Corp F10004Q	\$17.25	\$345.00	
20	1" Curb Stop B44-444Q	\$36.00	\$720.00	
1	6" x 3/4" Saddle S90-603	\$21.50	\$21.50	
1	3/4" Corp F10003Q	\$11.99	\$11.99	
1	3/4" K-Copper (60' Roll)	\$1.49	\$89.40	
6	1" K-Copper (100' Roll)	\$1.95	\$1,170.00	
1	1" K-Copper (80' Roll)	\$1.95	\$117.00	
1000	2" Sch40 Casing	\$0.55	\$1,045.00	
20	3000psi concrete	\$62.50	\$1,250.00	
1	6" Wet Tap (outside Contract)	\$400.00	\$400.00	
8	Bact Sample	\$20.00	\$160.00	
2	HTH	\$11.86	\$23.72	
250	DGA	\$6.75	\$1,687.50	
83	6' Tee Post	\$4.25	\$352.75	
1	Contingency 10%	\$3,626.00	\$3,626.00	

Subtotal \$39,895.08

Received By

Labor/Equipment

1	Labor	\$32,992.00	\$32,992.00
80	Construction Inspector (+ Benefits)	\$19.20	\$1,536.00
80	1/2 Ton Pickup	\$4.56	\$364.80
4	Distribution Facility	\$5.83	\$23.32
80	Liability Insurance	\$6.19	\$495.20
1	Water Line Engineering (Turner)	\$600.00	\$600.00
1	Hydraulic Model (Quest)	\$500.00	\$500.00
1	DOW Submittal	\$150.00	\$150.00
	Subtotal		\$36,661.32

\$10.31 (price per foot installation)
Contractor labor rates (\$64,070.85) exceeds
allowable reimbursement rate
average last four WME \$10.31 per foot

\$76,556.40 Total Project Cost
\$42,814.40 Developer Estimate Deposit (Dist. Labor & Materials)
\$23.92 Cost / Linear Foot
\$1,196.19 60 Foot Section Cost (Per Tap Reimbursement)
\$57,417.30 Future District Tap Reimbursement (47 taps)
\$57,417.30 Total Reimbursement Possible
75.00% Percent Reimbursement
\$18,139.10 Developer Contribution

14. Provide a copy of all water main extension reimbursement agreements entered into by HCWD1 since 1996.

Response: The requested items are included in the Appendix.

(Responsible Witness / Individual: Mr. Jim Bruce, General Manager)

15. Refer to HCWD1's application at Paragraph 7. Provide all studies and analyses upon which HCWD1 relies for the proposition that "[d]evelopments are financed and planned by developers, who are able to recover all their development costs through the sale of lots within the subdivision."

Response: The District based this on common knowledge or conventional economic principals which assume that a developer would not lose money in a competitive, free market endeavor, driven by market forces. This also assumes that any developer who is developing property for re-sale, which includes the sale of the finished lot, or a lot with a newly constructed house, is doing so to recover his / her development costs (i.e. excavating, street installation, storm drainage, etc., water and sewer lines), and said sale price would be set by the equilibrium price, including profit, in a competitive market. In short, the District assumes that it is a common fact that private, for-profit developers, develop land and sell lots and or houses to recover their costs, and also make a profit. The District performed no other studies to prove this rudimentary economic principal.

(Responsible Witness / Individual: Mr. Jim Bruce, General Manager)

16. State whether HCWD1 agrees with the following statement: "The local real estate market determines the price that a real estate subdivision developer receives for the cost of a lot within the real estate subdivision development." Explain.

Response: Yes. See explanation provided under question 15.

(Responsible Witness / Individual: Mr. Jim Bruce, General Manager)

17. Describe the actions that a real estate subdivision developer must take to obtain a refund or reimbursement from HCWD1 when a connection is made to a water main extension that serves his real estate subdivision development.

Response: Once a WME agreement is in place, the developer does nothing to obtain a refund. Irregardless of who purchases the water tap within that subdivision, the developer who installed the water mains will receive a refund. There is no additional action that the developer must take.

The District tracks new water taps, including those related to WME reimbursements. At the end of each of each quarter a check is written for the appropriate amount of money for that agreement.

(Responsible Witness / Individual: Mr. Jim Bruce, General Manager)

18. State the length of the refund period that HCWD1 currently uses for refunds to real estate subdivision developers who construct or pay for water main extensions to their real estate subdivision developments.

Response: Ten years, in accordance with KAR 807 5:066, Section 11, (2)(b)1

(Responsible Witness / Individual: Mr. Jim Bruce, General Manager)

19. State the length of time that normally elapses between the connection to a water main extension that a real estate subdivision developer donated to the water district and HCWD1's issuance of a refund to the developer.

Response: There is not really a normal time. However, the tendency has been that water taps are being made and homes sold in a subdivision within a year after the agreement has been signed. Economic forces and the real estate market provide incentive and motive for the developer (who signed the WME agreement) to expedite the sale of homes, which of course is preceded by the tap being made. If the WME is initiated by an existing homeowner, which have been rare, it is usually because they need water immediately, which also requires that a tap be made as soon as possible.

(Responsible Witness / Individual: Mr. Jim Bruce, General Manager)

20. State the number of times during a calendar year that HCWD1 will make refunds or reimbursements to a real estate subdivision developer for connections made to a water main extension that serves his real estate subdivision development.

Response: Four times a year maximum. The District processes WME refund checks quarterly.

(Responsible Witness / Individual: Ms. Karen Brown, Accounting Specialist)

21. 807 KAR 5:066, Section 11(3), provides that a water utility must “refund to the applicant who paid for the extension a sum equal to the cost of fifty (50) feet of the extension installed for each new customer connected during the year whose service line is directly connected to the extension installed by the developer.”

- a. Describe how HCWD1 defines “new customer” for purposes of making refunds to real estate subdivision developers.

Response: The District defines the person, company or partnership, paying for the water main, as the “new customer”.

- 21 b. Describe how HCWD1 defines “connected” for purposes of making refunds to real estate subdivision developers.

Response: When the application for water tap is paid, and a tap is made to the water main, that is when the District considers a tap connected and a refund due to the developer. As stated in the District’s application (paragraph 9), some developers have found that paying for and installing taps (before houses are constructed or sold) will trigger refunds immediately and depending on density, may actually provide 100% reimbursement of their water main installation costs, even before a house is constructed or a person (“customer”) opens an account with the District.

(Responsible Witness / Individual: Mr. Jim Bruce, General Manager)

22. At Paragraph 9 of its application, HCWD1 states: Developer's [sic] have also discovered that pre-paying for water taps (for homes not started or construction not completed) will trigger the WME [water main extension] reimbursements immediately, requiring the District to use its reserves immediately."

a. Define "pre-paying for water taps."

Response: Paying for a water tap (which includes tap on main, service line to meter location and meter setting device) before the structure or home that it will serve has been built for that lot or address, or before a person has moved into that house and opened an account with the District for water service.

22 b. State whether the prepayment includes a commitment on the part of the payor to take service from HCWD1 for a period of at least 1 year from the date of the prepayment.

Response: No. There is no such requirement in our WME Agreement, nor in 807 KAR 5:066, Section 11 requiring a refund program or method.

22 c. Explain why, in HCWD1's opinion, a water utility must make a reimbursement or refund to the real estate subdivision developer when a tap is paid if the structure or facility that will use the water has not yet been constructed.

Response: Apparently, the District in past has followed a strict interpretation of KAR 807 5:066, Section 11, which states at paragraph (1); "...the utility shall refund to the customer or customers who paid for the excessive footage the cost of fifty (50) feet of the extension in place for each additional customer connected during the year whose service line is directly connected to the extension installed..." The District has made refund for those services that have been paid for, and a service connected to the extension.

22 d. State whether HCWD1 has considered adopting a rule that provides that a connection to a water main extension occurs only after the connected structure is constructed and occupied and the person who will reside in or occupy the structure has applied for water service and has executed a contract to take water service for a minimum of 1 year. If no, explain.

Response: No. This rule would not be practical as the mortgage lender will not close on a home loan and transfer title until the service is installed and water available. Moreover, the District is unaware that a water district can require, through contract, a home owner to take water service for set amount of time. Also, such a rule would require that the District constantly monitor the sale of unsold houses, and the occupation of same. The City of Radcliff, which makes up most of the District's customer base, has a very transient population due to its location next to Ft. Knox. Many homes are occupied by military personnel, who may stay less than a one year period, and would not be able to commit to a one year contract. Furthermore, the WME agreement again is with the company or partnership that paid for the main extension, and they most likely object to their refund being paid dependent on an unrelated party staying in the house for a period of time.

22 e. State whether, in HCWD1's opinion, the adoption of such rule would reduce the rate at which reimbursements are made and the severity of the problems of which HCWD1 complains.

Response: No. This rule would not change the amount or quantity of refunds, only delay and add additional procedures and labor as explained in the answer above.

(Responsible Witness / Individual: Mr. Jim Bruce, General Manager)

23. Describe how HCWD1 determines the value of the water main extension and related facilities that a real estate subdivision developer constructs and donates to HCWD1.

Response: It is based on the actual and final cost of material, installation labor, engineering, DOW permit review, District inspection costs and other incidental costs associated with water line installation (i.e. DOW permit fee, construction inspection, etc.).

(Responsible Witness / Individual: Mr. Jim Bruce, General Manager)

24. Describe the proof that HWCD1 requires a real estate subdivision developer to produce in support of his claim for reimbursement.

Response: The District monitors all meter connection tap fees and compares those installed to the list of WME agreement tap locations. If a tap is made at one of those lots or locations where an existing agreement is in place, the District then adds that to the list of refunds to be paid the next times refunds are processed. As stated in the District's application, the person that pays for the tap, may not be the one who installed the main and will get the refund (if the lot is sold by the developer to a builder). Therefore, the developer does not have to do anything to claim a refund, nor even be aware that a tap has been installed at that particular lot or address.

(Responsible Witness / Individual: Mr. Jim Bruce, General Manager)

25. Describe the processes or procedures that HCWD1 uses when HCWD1 and a real estate subdivision developer cannot agree upon the cost of the water main extension.

Response: The District uses an average of the previous three projects. The developer has always agreed to this method.

(Responsible Witness / Individual: Mr. Jim Bruce, General Manager)

26. List and describe each instance since 1996 in which HCWD1 disagreed with a real estate subdivision developer about the cost of a water main extension. The description of each dispute should, at a minimum, contain the name of the developer, the size of the extension, each party's initial position on the cost of the extension, the final outcome of the dispute, and the method(s) used to resolve the dispute.

Response: There has not been a formal dispute to date. District personnel have verbally told the developer or developer's engineer that their claim for labor costs are excessive, and that the District will use the average of recent projects (including those District projects which were competitively bid). This has always been accepted by the developer without complaint, dispute or additional resolution needed. The District does not have an exact number of times this has happened, but is aware of three in the last 24 months.

(Responsible Witness / Individual: Mr. Daniel Clifford, GIS / Planning Specialist)

27. a. State whether HCWD1 has considered placing any restrictions on the labor costs that may be included in the cost of the water main extensions performed by real estate subdivision developers.

Response: No. See responses to Questions 25 and 26.

27. b. If yes, describe these restrictions and explain why HCWD1 has not implemented them.

Response: See responses to questions 25 and 26.

27. c. If no, explain why HCWD1 has not considered such restrictions.

Response: See responses to questions 25 and 26.

(Responsible Witness / Individual: Mr. Jim Bruce, General Manager)

28. a. State whether HCWD1 has considered prohibiting real estate subdivision developers from constructing water main extensions to the developer's proposed subdivision and requiring that HCWD1 personnel or contractors be used instead.

Response: No. The District does not have the staff to perform construction of new water mains. All new water mains for the District are contracted. Furthermore, such as policy conflicts with the District's basic premise in its request that it is not sound public policy or sound management policy to require existing customers to subsidize "for profit" development.

28. b. If yes, explain why HCWD1 did not adopt such a prohibition.

Response: NA

28. c. If no, explain why HCWD1 did not consider such a prohibition.

Response: See answer to 28 a. above.

(Responsible Witness / Individual: Mr. Jim Bruce, General Manager)

29. Describe all accounting entries made to HCWD1's financial records when a real estate subdivision developer donates a water main extension to HCWD1.

Response:

- 1) Total amount of project to be refunded to developer in future is debited to Liability account; "Advance for Construction"
- 2) Asset account is debited for total amount of project as "Contribution in Aid of Construction"
- 3) Depreciation schedule is adjusted to show value of new project, total project cost.

(Responsible Witness / Individual: Ms. Karen Brown, Accounting Specialist)

30. a. State whether HCWD1 has considered revising its present refund/reimbursement policy to require a refund/reimbursement for a water main extension to a real estate subdivision development based upon the average footage of main extension per subdivision lot. (For example, if total main extension was 500 feet and total number of lots within the real estate subdivision development was 25, the water utility would refund to the developer the cost of 20 feet of the main extension rather than the cost of 50 feet.)

Response: No. This would conflict with KAR 807 5:066 Section 11. Furthermore, this would conflict with the District's basic premise in its request that it is not sound public policy, or sound management policy, to require existing customers to subsidize "for profit" development.

- 30 b. State whether, in HCWD1's opinion, the adoption of such rule would reduce the rate at which reimbursements are made and the severity of the problems of which HCWD1 complains. Explain.

Response: Unknown. Not enough information to formulate an answer. Each subdivision is different in its length of water main, and number of lots or houses connecting to the main.

(Responsible Witness / Individual: Mr. Jim Bruce, General Manager)

31. Describe all accounting entries made to HCWD1's financial records when HCWD1 makes a reimbursement to a real estate subdivision developer for connections made to a donated water main extension.

Response:

- 1) When a tap is made, and subsequent refund is made, "Advance for Construction" liability is decreased or credited, and "Investment in Capital Assets" is increased.

(Responsible Witness / Individual: Ms. Karen Brown, Accounting Specialist)

32. Describe all accounting entries made to HCWD1's financial records when the 10-year reimbursement/refund period has ended and the entire cost of water main extension to the real estate subdivision development has not been reimbursed to the developer.

Response: The portion that was not refunded, debit the liability account "Advance for Construction" and credit the equity account "Contribution in Aid of Construction".

(Responsible Witness / Individual: Ms. Karen Brown, Accounting Specialist)

33. Indicate where in its annual financial and statistical report to the Commission HCWD1 records and reports its potential refund/reimbursement liability for water main extensions.

Response: Balance sheet, under "Other Liabilities", "Customer Advances for Construction".

(Responsible Witness / Individual: Ms. Karen Brown, Accounting Specialist)

34. At Paragraph 8 of its application, HCWD1 states: "Delaying refunds could cause balance sheet liability to increase substantially, decreasing the District's ability to raise capital or issue new debt [footnote and reference omitted]." Explain.

Response: If there were \$100,000 being added each year as a liability, and future refunds were delayed and reduced to a lesser amount, the liability would increase each year as the refunds (which reduce the liability) would be less than what was being added. See example of five years below;

<u>Year</u>	<u>Added Liability</u>	<u>Refunds Paid</u>	<u>Liab Balance</u>
1	\$100,000	\$50,000	\$50,000
2	\$100,000	\$50,000	\$100,000
3.	\$100,000	\$50,000	\$150,000
4	\$100,000	\$50,000	\$200,000
5	\$100,000	\$50,000	\$250,000

(Responsible Witness / Individual: Mr. Jim Bruce, General Manager)

35. Refer to HCWD1's application at 28. Provide all studies, analyses, and reports upon which Table 2 is based.

Response: The lower portion of the bar are the actual taps sold and installed by the District during that year. The 2006 District amount was estimated based on taps sold through April, 2006 at 368. The 2006 amount includes the lots anticipated for a new subdivision in Vine Grove discussed with Question 38, which will now be served directly by Vine Grove and not the District. (Regardless of whether the Vine Grove subdivision is being served by the City or the District, the actual creation of that subdivision, directly adjacent to the District's service area, supports the District's concern about significant increase in the number of subdivision lots in Hardin County).

The upper portion of the bar are those number of lots for which plats have been approved by Hardin County Planning Commission through February, 2006, and estimated for 2006 from March through December. Those lots represent all those within Hardin County, which some may not be in HCWD1 service area, but within HCWD2 service area. The purpose of the table is to show the increase of development lots and subdivision activity over the last six years.

(Responsible Witness / Individual: Mr. Jim Bruce, General Manager)

36. Refer to HCWD1's application at Paragraph 11. Provide all studies, analyses, and reports upon which HCWD1 is relying to project future customer growth in its territory.

Response: This was based on actual and historical increase in new tap activity (see below) as well as the local community knowledge and experience that the Base Realignment and Closure Act (BRAC) is having and will have on Radcliff and surrounding area. The local community, Radcliff Planning & Building Department and the One Knox Committee all have provided estimates or actual data to the District of expected growth. The District did not conduct any independent studies to project number of new homes that will be built in the future. As building activity and home sales are affected by numerous unknowns (i.e. interest rates, U.S. Dept. Of Army troop movements and training requirements, actual BRAC construction schedule and other local and national economic indicators) it would be unpractical and non-productive to attempt to make an accurate prediction of future home sales. The information provided about the BRAC changes, provided on Exhibit E in the District's filing (prepared by the One Knox Committee) provide the best estimate of known future population changes to Radcliff and the surrounding areas. To date, the major BRAC projects for Ft. Knox are still being planned and some construction already beginning at Ft. Knox in anticipation of the new missions or units to be moved to Ft. Knox.

<u>Year</u>	<u># New Taps Installed</u>	<u>Percent Incr. Prior Year</u>
1996	75	-
1997	87	+ 16%
1998	109	+ 25%
1999	150	+ 38%
2000	84	- 44%
2001	58	- 31%
2002	73	+ 26%
2003	217	+ 197%
2004	141	- 35%
2005	274	+ 94%
2006*	333	+ 22%

* (2006 Based on 194 installed through end of July, 2006)

(Responsible Witness / Individual: Mr. Jim Bruce, General Manager)

37. State the number of additional customers that HCWD1 estimates to add in the next 5 years as a result of changes in the Fort Knox Military Installation's mission. Show all calculations and state all assumptions used to derive this estimate.

Response: See answer to Question 36.

(Responsible Witness / Individual: Mr. Jim Bruce, General Manager)

38. Refer to HCWD1's application at Exhibit C. State the basis for HCWD1's estimate that 750 customers will be added to its system in the last 8 months of 2006.

Response: The 750 amount included a new subdivision under design in Vine Grove. As stated on page 3, paragraph 9 of the District's request, the District had been contacted by an engineer for the developer, who believed the District would need to serve these individual homes directly. Since the application was filed, the City of Vine Grove has decided to serve this development from their system. Therefore, the estimate for 2006 could be reduced to 360 new taps in 2006.

This does not change the District's concern that significant growth will be occurring in Radcliff and surrounding areas in upcoming years, due to the BRAC action at Ft. Knox, and subsequent influx of new government employees, military personnel, contractors and their families. There have been numerous local newspaper articles discussing the increased growth in Radcliff. Most of this growth is speculative, as no major BRAC related troop movements or new missions have been moved to Ft. Knox yet, nor will begin occurring until 2007.

(Responsible Witness / Individual: Mr. Jim Bruce, General Manager)

39. Refer to HCWD1's application at Paragraph 12. State the basis for HCWD1's statement that Hardin County Water District No. 2 and Meade County Water District do not currently provide refunds to real estate subdivision developers. Identify all employees and representatives from those water utilities that HCWD1 contacted regarding their refunding/reimbursement practices.

Response: This is common knowledge gathered by talking to developers and engineers in the area, as well as employees of those utilities. The District tasked a previous Administrative Assistant to call those utilities, but we do not have the phone log of those contacts made. We would assume the persons contacted were;

MCWD	Mr. Tim Osborne	270-422-5006
HCWD2	Mr. Scott Clark	270-737-1056
City of Elizabethtown	Mr. Charlie Bryant, P.E.	270-765-6121
City of Radcliff	Mr. Steve Barno	270-351-4714
City of Vine Grove	(City Clerk's office)	270-877-2422

(See also District's application, Paragraph 12 [Regional / Surrounding Comparisons), Page 4, regarding District's conversation with engineer for a 700 to 1,000 lot subdivision in HCWD2's service area).

(Responsible Witness / Individual: Mr. Jim Bruce, General Manager)

40. State for each of the last 10 calendar years the total value of water distribution assets that real estate subdivision developers donated or contributed to HCWD1 in conjunction with the extension of water service to the real estate subdivision.

Response:

<u>Year</u>	<u>\$ Amount</u>
1996	\$32,646
1997	\$21,676
1998	\$0
1999	\$13,029
2000	\$0
2001	\$74,978
2002	\$201,716
2003	\$27,344
2004	\$174,944
2005	\$387,992
2006	\$113,880 (January through May)

Source: From WME agreements, total project value as shown on Exhibit C, Page 19 of District's application under "PROJ COST" column. Total of all years = \$1,048,205.

(Responsible Witness / Individual: Mr. Jim Bruce, General Manager)

41. List each request for rate adjustment that HCWD1 has made to the Commission in the last 10 years. For each request, state the amount of the requested adjustment and describe the role that refunds to real estate subdivision developers played in HCWD1's request.

Response: The only rate adjustment during this period was filed in 2001, and approved by the Commission on March 1, 2002 (Case No. 2001-00211). This was based on 2000 test year amounts. A review of the original revenue requirements filed, as well as the approved expenses in the Commission order, show that no annual expense was requested or included for reimbursements to developers for WME agreements. In 2001, the District paid out \$9,686 for construction reimbursement agreements. This would be equivalent to 0.03% of the approved revenue requirements approved by the Commission in the order (Page 22, amount = \$3,256,881).

As stated in the District's request (Paragraph 13, page 5), the District would have to increase its water rates, specifically for WME agreement reimbursements, if it is required to continue to provide refunds in accordance with KAR 5:066, Section 11. (See District's application, Paragraph 13, Page 5).

(Responsible Witness / Individual: Mr. Jim Bruce, General Manager)

42. List for each of the last 10 calendar years the amount of funds that HCWD1 expended annually for non-real estate subdivision development water main extensions.

Response:

<u>Year</u>	<u>\$ Amount</u>
1996	\$47,962
1997	\$18,510
1998	\$151,297
1999	\$0
2000	\$185,798
2001	\$382,188
2002	\$0
2003	\$95,961
2004	\$3,990,588
2005	\$3,390,953

- NOTES:
1. Source: From Annual PSC Report, annual change in "Transmission and Distribution Mains", Account 331, Water Utility Plant Accounts. Does not include Construction in Progress amounts or unclassified assets.
 2. Total amount over period = \$8,263,257
 3. Amount for each year after deducting Advances for Construction for Developer paid water distribution mains. AoC amount from annual PSC Annual Report.

(Responsible Witness / Individual: Mr. Jim Bruce, General Manager)

43. List for each of the last 10 calendar years the total dollar amount of grants and loans that HCWD1 has received from federal and state sources for water main extensions.

Response: The District has received and spent \$700,000 as a KIA grant (Tobacco Settlement Funds) for the New Salem Church Road Project. Since 2004, the District has been approved for \$5 million of additional KIA grants for other projects which are still in process, or have not begun yet. These projects are;

\$700,000 New Salem Church Road County Expansion Project - WX21093002
\$2,000,000 Pirtle WTP Reconstruction Project - WX21093024 (2004)
\$2,000,000 Pirtle WTP Reconstruction Project - WX21093024 (2006)
\$1,000,000 Constantine Road County Expansion Project - WX21093020 (2006)

The above are the only grants received during this period. The District filed for a US-RDA grant in 1999 but was turned down. Part of that grant request was for the 920/86 Project which was then funded by a new bond issue and completed in 2002 (Case No. 2001-00211). The District's New Salem Church Road (NSCR) project used a new bond issue, internal reserves and the \$700,000 grant. The case number for the NSCR project was 2004-00453 with the finance plan explained under Tab 6.

The bonds issued for new construction projects during this period were;

<u>Year</u>	<u>\$ Amount</u>	<u>Used For</u>
1998	\$3,985,691	\$3,820,899 Refinance '89 and '92 issues, balance bond issuance, premium and discount expense.
1998	\$3,200,000	\$1,543,721 Construction of Ft. Knox Interconnect Project, \$1,322,545 reimbursement reserves used for construction Service Center project, balance for rating, Letter of Credit fee and bond issuance costs.
2002	\$4,510,000	Finance 920/86 County Expansion Project
2006	\$6,860,786	\$2,640,000 Refinance 2002 \$4.510 Series VR bonds, \$2,909,130 construction of NSCR County Expansion Project, \$1,000,000 AMR Project and balance for issuance DSR Fund, capitalized interest and cost of issuance.

(Responsible Witness / Individual: Mr. Jim Bruce, General Manager)

44. State the average annual net revenue that a customer generates for HCWD1.

Response: The District's net operating income for 2005 (water utility) was \$785,373. At year end, the District had a total of 9,400 retail customers. This calculates to an net operating income of \$83.55 per year, per customer. Due to new debt service for new bonds issued in 2005, other increases to operational expenses, and fewer capitalized salaries and wages in 2005 that will not be recurring in 2006, the projected net income for 2006 is \$310,391 which divided by an estimated 9,700 customers would be \$32.00 per customer, or a decrease of 62 percent from 2005.

(Responsible Witness / Individual: Mr. Jim Bruce, General Manager)

45. State for each year in which HCWD1 made refunds to real estate developers for connections to water main extensions in their subdivision the number of connections for which a refund was paid.

Response:

<u>Year</u>	<u>No. Taps</u>	<u>Amt \$</u>
1996	78	\$46,644
1997	38	\$28,393
1998	37	\$31,485
1999	30	\$24,189
2000	35	\$30,653
2001	14	\$9,686
2002	19	\$13,986
2003	30	\$20,994
2004	52	\$58,926
2005	109	\$127,021
2006 *	253	* \$115,885

- NOTES:
1. 2006 based on all taps sold since prior disbursements made in 2005, for all active WME agreements. Does not include new WME agreements signed in 2006 which could add an additional expense of \$107,818 if all taps in those subdivisions are sold in 2006, which could make 2006 disbursements = \$223,703.
 2. All three of the 2006 WME agreements, due to density of lots, provide 100% reimbursement of water main system installation costs.
 3. Amounts paid out in some earlier years include prior "half revenue" agreements with developers for taps sold prior to 1993. In 1993, District switched from "half revenue" method to fixed amount per tap sold based on "50 foot" method.
 4. Number of lots for 2006 represent those potential lots for WME agreements signed in 2006, plus all those other taps sold and due for WME agreements signed prior to 2006, and for taps sold since previous disbursement checks paid.

(Responsible Witness / Individual: Ms. Karen Brown, Accounting Specialist)

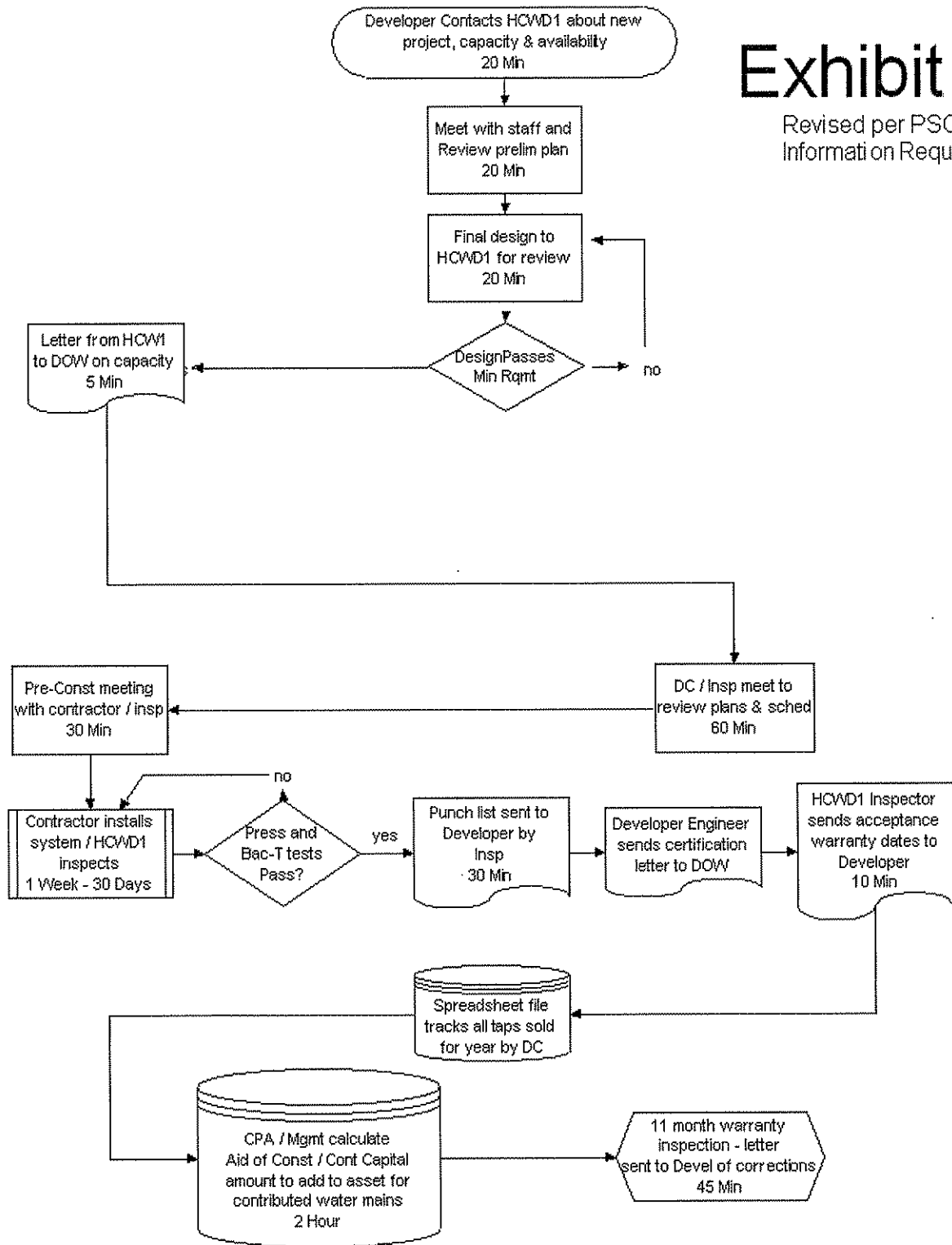
46. Refer to HCWD1's application at Exhibit D. Provide a revised process flow analysis for water main extensions that assumes no requirement for reimbursements or refunds to real estate subdivision developers.

Response: The revised process flow diagram follows this page.

(Responsible Witness / Individual: Mr. Jim Bruce, General Manager)

Exhibit D

Revised per PSC
Information Request



Annual Staff Time on 8 Developments
All Main Extensions = 50 Hours
(Without WME Agreements)

47. State the additional number of customers that HCWD1 expects to obtain from real estate subdivision development extensions and the amount of additional net operating revenues that these customers will generate. Provide the calculations and state assumptions that HCWD1 used to derive its response.

Response: See answer to Question 36 regarding estimating numbers of new future taps or subdivision growth.

See answer to Question 44 regarding the amount of net revenue provided by a new customer and the calculations used.

(Responsible Witness / Individual: Mr. Jim Bruce, General Manager)



APPENDIX (Tab 48)

(Note: Page numbers refer to those in upper right hand corner)

Correspondence, Memorandum, email (Question 6)	1 - 40
Copy of Board Minutes (Question 7)	41 - 44
Copy of Water Main Extension Agreements (Question 14)	45 - 140

AGENDA

HARDIN COUNTY WATER DISTRICT No. 1 BOARD OF COMMISSIONERS Regular Commission Meeting

THURSDAY, February 23, 2006 at 5:30PM

Meeting Room - Customer Service Center
1400 Rogersville Road

Time: 5:30 P.M.

Commissioners: Mr. William J. Rissel, Chairman
Mr. Bill Gossett, Treasurer
Mr. John Tindall, Secretary
Mr. Ron Hockman, Commissioner
Mr. Les Powers, Commissioner

- A. 5:30 pm - Call to Order
- B. Secretary's Report - January 17, 2006 Meeting *RH/LP* *QUESTION ON VERACITY OF PHONE PARTICI*
- C. Treasurer's Report (Should have December and January sent before meeting date) *IT MOVE*
- 1. General Managers Report
- 2. Operations Manager Report
- 3. Kentucky Tobacco Grant Documents
- 4. Radcliff Sewer Alternatives Study Proposal
- 5. County Cluster Septic System Service Proposal
- 6. Storage Needs Study Proposal
- 7. Water Service Area Revision
- 8. EXECUTIVE SESSION
 - 1. Legal
 - 2. Property
 - 3. Personnel
- 9. EXECUTIVE ACTION ITEMS
- 10. NEW BUSINESS *REIMB REBATES*
- 11. UNFINISHED BUSINESS
- 12. ADJOURN

*IT
RH*

Jim Bruce

From: Ron Hockman [hockman@bbtel.com]
Sent: Thursday, March 09, 2006 8:25 PM
To: Jim Bruce
Subject: RE: Meeting Change

Jim,

Thanks for the answer. I guess I need to bring my pocket calendar to the meetings to make sure I don't have any conflicts with scheduled meetings.

I think Bill R was right to poll everyone to see if March 23 was okay. That is fair and considerate and I appreciate that. But, the email I received said the meeting was changed because a quorum would be present on March 23 **before** everyone said they could attend.

I met with the young couple getting married and we changed the March 23 counseling date.

A daytime meeting next week would work better for me on Tuesday, Thursday or Friday.

Ron

From: Jim Bruce [mailto:JBruce@HCWD.com]
Sent: Thursday, March 09, 2006 4:09 PM
To: Ron Hockman
Subject: RE: Meeting Change

Ron;

Sorry not getting back to you sooner. Our auditors are here today and have been working with them, as well as investigation of WME Policy for special Board meeting. At end of last meeting, Bill G asked about meeting on 3/23. It was my recollection that all said that they could make it. Bill G called me about 10 days ago and asked if it would still be the 23rd. I asked Bill R and he said to poll Board to make sure 3/23 was still OK for everyone.

We are working on the special meeting item (WME extensions) and plan to meet with David W Monday to discuss that item. What days would work for you next week, and would a daytime meeting be OK? I should know by Monday whether we can be ready and have all answers for that special meeting.

Thanks

Jim

From: Ron Hockman [mailto:hockman@bbtel.com]
Sent: Thursday, March 09, 2006 9:09 AM
To: Jim Bruce
Subject: RE: Meeting Change

Jim,

I was waiting before I replied to your email to see if I could change a marriage counseling session.

Did we not have enough members to have a quorum on our regular meeting night, March 21?

Ron

From: Jim Bruce [mailto:JBruce@HCWD.com]
Sent: Thursday, March 09, 2006 8:58 AM
To: Dee Dee Bostic; Bill Rissel (E-mail); Jim Bruce (E-mail 2); John Tindall (E-mail); sgmpers@aol.com; Ron

8/23/2006

Hockman (E-mail); SBW David T. Wilson (E-mail); William Gossett (E-mail)

Subject: Meeting Change

Board;

We have enough Board members who can make the 23rd meeting date for a quorum. The regular March meeting date will then be THURSDAY, March 23rd.

Thanks

Jim Bruce

Jim Bruce General Manager	Providing Quality Water Service Since 1952 Hardin County Water District No. 1 1400 Rogersville Road Radcliff, KY 40160 tel: 270-351-3222 fax: 270-352-3055 mobile: 270-268-4069
jbruce@hcwd.com www.hcwd.com	

Add me to your address book...

Want a signature like this?

Jim Bruce

From: Bill Rissel [wjrisssel@fortknoxfcu.net]
Sent: Monday, March 13, 2006 10:57 AM
To: Jim Bruce
Subject: RE: Large Subdivision Location
Sensitivity: Confidential

Dear Jim;

The WME and this subdivision's boundaries are two separate and distinct issues. Obviously, if this development is not in our service area then the owners cannot apply for WME from us. The question of WME reimbursements that we have been informally discussing for months is a policy question that applies to all future development within our service area.

Regards.
 Bill

From: Jim Bruce [mailto:JBruce@HCWD.com]
Sent: Monday, March 13, 2006 9:29 AM
To: Bill Rissel; Jim Bruce (E-mail 2); John Tindall (E-mail); sgmprs@aol.com; Ron Hockman (E-mail); SBW David T. Wilson (E-mail); William Gossett (E-mail)
Cc: Brett Pyles; Daniel Clifford
Subject: Large Subdivision Location
Sensitivity: Confidential

Board;

Last Thursday (3/9), Mr Ed Hawkins dropped off a drawing for the Cowley Farm Subdivision. This is the same one we had talked to Mr. Phillip Murrell about the week before when he was in to sign another WME agreement for a new section of Notting Hill. It had been our understanding that this would be adjacent to Notting Hill, and then continue NW with a road coming out on 313, and another road on Deckard School.

Since Daniel was at training last week, we did not look at the prelim. plat drawing until today. Now that we have seen the layout and the boundary of the subdivision, it IS NOT in our service area and is clearly in HCWD2's area. The farm actually borders our common service area line between us and HCWD2, but lies all within HCWD2's area to the south. Mr. Hawkins had called Daniel earlier last week and asked if we would be serving this. Daniel said he told him we absolutely will serve any property WITHIN OUR SERVICE AREA. This property borders Notting Hill, but then extends to the SE and is actually NOT IN RADCLIFF CITY LIMITS, which is the limits of our service area to the south. It is also outside of the service area map our Board just adopted for submission to Fiscal Court at Feb 23 meeting.

This may or may not affect your decision on the WME item we will be discussing Tuesday. We still have an unprecedented number of WME's already underway for 2006, and have already installed 60 taps this year, both of which indicate a record year for development within our service area.

We could ask HCWD2 if they would let us serve this development, but I doubt they would want to give it up, just as we would not want to give up a 700 - 1,000 home development already within our area, and one that we could hydraulically serve. Please feel free to call me if you have any questions.

Thanks

Jim

8/23/2006

AGENDA

HARDIN COUNTY WATER DISTRICT No. 1 BOARD OF COMMISSIONERS SPECIAL Commission Meeting

TUESDAY, March 14, 2006 at 12:00 PM (Noon)

Meeting Room - Customer Service Center
1400 Rogersville Road

NOTICE: This is planned as a Video teleconference with locations being the District offices, 1400 Rogersville Road, Radcliff, Kentucky, and one Board member attending by video teleconference from Ft. Meyers, Florida. In the event the remote the video conference cannot be established, only those Board members attending the meeting in-person will be voting during the meeting.

Time: 12:00 P.M.

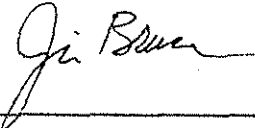
Commissioners: Mr. William J. Rissel, Chairman
 Mr. Bill Gossett, Treasurer
 Mr. John Tindall, Secretary
 Mr. Ron Hockman, Commissioner
 Mr. Les Powers, Commissioner

- A. 12:00 pm - Call to Order
- B. Water Main Extension Agreements
- C. NEW BUSINESS
- D. UNFINISHED BUSINESS
- E. ADJOURN

HARDIN COUNTY WATER DISTRICT No. 1

Staff Information Item

6

DATE: March 14, 2006
AGENDA ITEM NO.: 1
ITEM: Water Main Extension Agreements
SUBMITTED BY: Jim Bruce, General Manager 

As discussed in past meetings, staff has completed investigation and a presentation and recommendation for WME (Water Main Extension) reimbursement agreements. The enclosed information is provided:

1. Current PSC Regulation (Page 2 - 3)
2. PSC Administrative Case No. 386 (Pages 4 - 10)
3. Recent PSC Intra-agency memo regarding WME case (Pages 11 - 12)
4. Current HCWD1 Policy (Pages 13 - 14)
5. Staff Time for Main Extensions (Flow Chart - Page 15)
6. Spreadsheet of Actual, historical data (Page 16)
7. Draft Resolution (Staff version) (Page 17)
8. Copy of proposed tariff sheet (Page 18)
9. Copy of Powerpoint presentation (Pages 19 - 34)

RECOMMENDATION: To approve adopt Resolution 01-2006 which would discontinue practice of providing WME refunds.

Suggested Motion Language: *"Motion to approve and adopt Resolution 01-2006 which will immediately terminating the policy and practice of providing developer reimbursements for water main extensions to avoid future water rate increases, or depleting District reserve funds and to authorize staff and legal counsel to file any required tariff changes immediately"*

807 KAR 5:066 - Extension of Service

Section 11. Extension of Service. (1) Normal extension. An extension of fifty (50) feet or less shall be made by a utility to its existing distribution main without charge for a prospective customer who shall apply for and contract to use service for one (1) year or more.

(2) Other extensions.

(a) When an extension of the utility's main to serve an applicant or group of applicants amounts to more than fifty (50) feet per applicant, the utility may if not inconsistent with its filed tariff require the total cost of the excessive footage over fifty (50) feet per customer to be deposited with the utility by the applicant or the applicants, based on the average estimated cost per foot of the total extension.

(b) Each customer who paid for service under such extension shall be reimbursed under one

(1) of the following plans, which shall be included in the utility's filed tariff:

1. Each year, for a refund period of not less than ten (10) years, the utility shall refund to the customer or customers who paid for the excessive footage the cost of fifty (50) feet of the extension in place for each additional customer connected during the year whose service line is directly connected to the extension installed and not to extensions or laterals therefrom. Total amount refunded shall not exceed the amount paid the utility. No refund shall be made after the refund period ends.

2. As an alternative to the refund plan outlined in subparagraph 1 of this paragraph, the utility may use the following plan:

For a period of five (5) years after construction of the extension, each additional customer whose service line is directly connected to the extension installed, and not to extensions or laterals therefrom, shall be required to contribute to the cost of the extension based on a re-computation of both the utility's portion of the total cost and the amount contributed by the customers. The utility shall refund to those customers that have previously contributed to the cost of the extension that amount necessary to reduce their contribution to the currently calculated amount for each customer connected to the extension. All customers directly connected to the extension for a five (5) year period after it is placed in service shall contribute equally to the cost of construction of the extension. In addition, each customer shall pay the approved tap-on fee applicable at the time of his application for the meter connection. The tap-on fee shall not be considered part of the refundable cost of the extension and may be changed during the refund period. After the five (5) year refund period expires, any additional customer shall be connected to the extension for the amount of the approved tap-on fee only. After the five (5) year refund period expires, the utility shall be required to make refunds for an additional five (5) year period in accordance with subparagraph 1 of this paragraph.

- (3) An applicant desiring an extension to a proposed real estate subdivision may be required to pay the entire cost of the extension. Each year, for a refund period of not less than ten (10) years, the utility shall refund to the applicant who paid for the extension a sum equal to the cost of fifty (50) feet of the extension installed for each new customer connected during the year whose service line is directly connected to the extension installed by the developer, and not to extensions or laterals therefrom. Total amount refunded shall not exceed the amount paid to the utility. No refund shall be made after the refund period ends.
- (4) *Nothing contained herein shall be construed to prohibit the utility from making extensions under different arrangements if such arrangements have receive the prior approval of the commission.*
- (5) Nothing contained herein shall prohibit a utility from making at its expense greater extensions than herein prescribed, provided like free extensions are made to other customers under similar conditions. The conditions under which such extensions will be made shall be stated in the utility's filed tariff.
- (6) Upon complaint to and investigation by the commission a utility may be required to construct extensions greater than fifty (50) feet upon a finding by the commission that such extension is reasonable and that an extension of fifty (50) feet or less is unreasonable under the circumstances.

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION OF EXISTING WATER) ADMINISTRATIVE
DISTRIBUTION MAIN EXTENSION POLICIES) CASE NO. 386

O R D E R

The proceeding involves an examination of existing water distribution main extension policies. In this Order, we identify proposed revisions to Administrative Regulation 807 KAR 5:066 to encourage water main extensions, establish uniform rules for the acquisition of customer-constructed facilities, reduce the transaction costs associated with water main extensions, and better allocate the cost of such extensions. We further declare our intention to promulgate an amended regulation to implement these proposed revisions.

Administrative Regulation 807 KAR 5:066, Section 11, establishes the current policy for water distribution main extensions in Kentucky. This regulation requires a water utility to extend its distribution mains 50 feet without charge to serve an applicant for water service. 807 KAR 5:066, Section 11(1). It permits a water utility, for water main extensions that exceed 50 feet in length per applicant, to require an applicant or group of applicants to deposit the "total cost of the excessive footage over 50 feet per customer" but directs reimbursement of this deposit as additional customers connect to the main extension. 807 KAR 5:066, Section 11(2)(a). The regulation also permits water utilities initially to impose the entire cost of a water distribution main extension to

real estate subdivision developments upon the subdivision's developer; however, water utilities must refund to such developers, for a period of not less than 10 years, "a sum equal to the cost of fifty (50) feet of the extension installed for each new customer connected during the year whose service line is directly connected to the extension." 807 KAR 5:066, Section 11(3).

The basic provisions of Administrative Regulation 807 KAR 5:066, Section 11, have been in effect for over 40 years with only modest changes.¹ While the regulation has not changed significantly, the water utility industry in Kentucky and the nature of the Commission's jurisdiction have changed. At the time the regulation was promulgated, the Commission's jurisdiction did not extend to water districts or water associations.²

The number of such entities was still small. Virtually all water utilities subject to Commission jurisdiction were investor-owned utilities operating within urban areas. Treated water was unavailable to large portions of Kentucky. Suburban development in Kentucky had not yet occurred on a large scale. When promulgating the regulation, the Commission sought to encourage the extension of water service and to achieve a fair allocation of cost of these extensions.

¹ We promulgated our regulation dealing with water distribution main extensions, which is currently codified as Administrative Regulation 807 KAR 5:066, Section 11, on November 28, 1959. The only significant revision to this regulation occurred in 1992 when the Commission permitted water utilities to use an alternative refund plan. See 807 KAR 5:066, Section 11(2)(b)(2); 19 Ky. Admin. Reg. 1968, 3368 (1992).

² Water districts were statutorily exempted from Commission jurisdiction prior to 1964. 1936 Ky. Acts 299.

Today the majority of water utilities subject to Commission regulation are water districts and water associations.³ Most operate in rural areas and have a low customer density. Many are heavily dependent upon financial assistance from federal and state government to extend water service. In recent years, the areas in which these utilities operate have seen increasing urbanization and development.

In recent years, water utilities have increasingly questioned the Commission's policies regarding water main extensions. In Administrative Case No. 375,⁴ several water utilities argued that the existing extension policy places an unreasonable burden on existing customers and should therefore be modified. Other water utilities have sought deviations, on a case-by-case basis, to reimbursement provisions.⁵ Moreover, the recent efforts to expand the delivery of water service to Kentuckians have suggested that existing policies require reexamination.⁶

Noting these changes, this Commission, on November 2, 2000, initiated this proceeding to investigate water main distribution practices within this state. In our Order initiating this proceeding, we stated that this proceeding would have three stages:

³ In 1964, the General Assembly eliminated this exemption and declared that water districts were public utilities subject to Commission jurisdiction. 1964 Ky. Acts 722. In 1972, it made a similar declaration regarding water associations. 1972 Ky. Acts 1462.

⁴ Administrative Case No. 375, An Investigation Into the Design and Use of System Development Charges.

⁵ See, e.g., Case No. 98-468, Proposed Revisions to the Mainline Extension Policy of Northern Kentucky Water Service District (Sept. 4, 1998); Case No. 99-050, North Marshall Water District's Proposed Rules for Water Main Extensions to Real Estate Subdivisions (April 10, 2000).

⁶ See, e.g., Ky. Exec. Order 96-1339 (Oct. 3, 1996); 2000 Ky. Acts Chap. 529.

[1] collection of information; [2] identification of problem areas and potential solutions; and [3] identification of necessary revisions to existing administrative regulations and promulgation of administrative regulations to implement those revisions.

In the first phase of our investigation, we issued interrogatories to every water utility regarding its water distribution main extension practices, its experience complying with Administrative Regulation 807 KAR 5:066, Section 11, its proposed revisions to that regulation, and its comments upon the general effect of that regulation on efficient land development. To encourage complete and forthright responses, we granted limited immunity to all responding utilities and declared that none of the information set forth in their responses would be used to initiate adverse administrative proceedings for violations of Administrative Regulation 807 KAR 5:066. Approximately 93 water utilities responded to these interrogatories.

Following their submission of these responses, the Commission reviewed these responses and prepared a summary of them. Based upon these responses, the

Commission has identified the following areas of concern:

- Extension of water distribution mains to real estate subdivisions
- Allocation of infrastructure costs related to or associated with water main distribution extensions
- Allocation of costs for self-financed water distribution main extensions

Our review of the responses indicated widespread dissatisfaction with the existing rules regarding water main distributions to real estate developments. The majority of utilities responding indicated that the present rules unfairly allocate the cost of such extensions, permit real estate developers to unfairly recover the cost of such

main extensions through refunds and through the sale of real estate lots, and, in some instances, effectively remove a water utility's ability to control its financial future. They urge elimination of the refunding requirements contained in Administrative Regulation 807 KAR 5:066, Section 11(3).

The Commission finds that extensive revision to this provision, if not elimination, is in the public interest. We agree that, in areas of rapid real estate development, the current regulation seriously encumbers a water utility's ability to manage its finances. Rather than focusing on building and upgrading its infrastructure in accordance with long-term plans, these utilities must devote funds to refunding extensions over which they may have limited control in planning and constructing.

We also note that the current regulation's provisions appear overly generous when compared to those of most other states. A majority of states do not require any refunds for a water main extension to a real estate development or they base the refund upon the revenue stream that the extension's new customers provide. The current regulation, therefore, may have the unintended consequence of encouraging land development that is not otherwise economically feasible or appropriate. At a minimum, the regulation requires revision to ensure that the cost of extensions to real estate developments is more fairly allocated and not wholly absorbed by customers not served by the extension.

Another issue of concern is the development of uniform rules for the construction of water main extensions and the acceptance of water mains that are privately financed and constructed. Currently many utilities fail to establish rules that govern the engineering, planning, and operational aspects of such main extensions. As a result,

the transactional costs and implementation time related to planning and constructing water mains are inflated. We find that requiring uniform rules that apply to the construction of water main extensions should speed the extension of water service to unserved areas and reduce the cost of such extensions.

We also find a lack of uniform rules dealing with the allocation of costs for infrastructure related to water distribution main extensions. For example, the current regulation and most water utility tariffs are silent on the allocation of costs for line upsizing or the construction of related improvements. The Commission finds that, under the current regulation, the cost of these related improvements may not be properly allocated to the party who benefits from these related improvements. To ensure a more efficient and fair allocation of such costs, the current regulation should be amended to require water utilities to address these issues in their tariffs.

Finally, we find that the current regulation fails to promote self-financed water distribution main extensions. Administrative Regulation 807 KAR 5:066, Section 11(2)(b)(1), currently allows a water utility to require an applicant or group of applicants to deposit the "total cost of the excessive footage over 50 feet per customer." The utility must reimburse this deposit as additional customers connect to the main extension. Customers who connect after the construction of the water main extension, however, are not required to make any contribution to the construction of the water main extension. Most water utilities argue, and we agree, that this provision discourages potential customers from joining self-financed water main extensions and creates an incentive to delay applying for service. It unfairly penalizes those persons who exercise

initiative to resolve their water supply needs while rewarding those who do not. Based upon our review of the comments and our analysis of the current regulation's effects, we find that the regulation should be amended to provide that all customers who connect to a self-financed water main extension within 10 years of its placement in service should be required to pay a proportionate share of the water main extension's cost.

To correct the deficiencies in the existing regulation, the Commission has filed with the Legislative Research Commission a notice of intent to promulgate an administrative regulation setting forth the principles described in this Order. A copy of this notice of intent is appended. Through the process set forth in KRS Chapter 13A, we hope to ensure that "our regulatory policies encourage reasonable extensions of water service in Kentucky and fairly and equitably allocate the cost of such extensions."

Finding that the purpose of this proceeding has been achieved, the Commission HEREBY ORDERS that this proceeding is closed and shall be removed from our docket.

Done at Frankfort, Kentucky, this 15th day of August, 2002.

By the Commission

ATTEST:

W. H. Bowen
Executive Director

WATER MAIN EXTENSION AGREEMENT
Per Authority of 807 KAR 5:066 Section 12(4)

AGREEMENT #: 01-01

1. This Agreement is made by and between Hardin County Water District No. 1 ("District") of 1400 Rogersville Road, Radcliff, Kentucky, 40160 and Cedar Hill Development Corporation (Mr. "Dickie" Cecil, et. al.), 4024 Deckard School Road, Radcliff, KY, 40160 ("Applicant"). All parties of interest in this agreement are identified by signature hereon.

2. The DISTRICT and APPLICANT(S) hereby set forth certain terms under which the DISTRICT shall, upon execution of this Agreement and receipt of the APPLICANTS share of the estimated cost of the water main extension ("PROJECT"), extend a water main approximately 3,400 feet. For the purposes of this Agreement this PROJECT shall also be known as the "Trapper's Ridge Subdivision", water main extension. The PROJECT beginning and ending points are described as follows:

Beginning at: An existing water main in the west right of way of Highway 1600.

Ending at: The point of service line connection for Lot 21 located at the southwest corner of Lot 21 on the east side of Highway 1600.

3. Both parties agree that the DISTRICT shall decide if the PROJECT shall be built by the DISTRICT, the APPLICANT or an agent of either party. The DISTRICT may also choose to provide labor or materials as a portion or all of the DISTRICT's financial obligation to the PROJECT. Such decision shall be made by the DISTRICT and shall be made on the basis of the best financial choice for the DISTRICT and it's customers. It is further agreed that the PROJECT shall be constructed in accordance with the DISTRICT's current adopted Standard Construction Specifications. Construction consists of approximately 3,400 feet of six inch PVC pipe and 7 hydrant(s), 12 valve(s) and related fittings as described in the attached exhibit (see Addendum #1 for details).

4. The DISTRICT's initial estimated contribution for each of fifty (50) lineal feet section ("Unit Price") equals \$703.32, based on the attached description work sheet (see Addendum #1). The APPLICANT's contribution of \$18,868.50, is based on the DISTRICT's construction cost total estimated PROJECT cost of \$48,107.02, an estimate made with due diligence to the details of construction requirements for this particular PROJECT. Increases to the Unit Price will be paid only if the APPLICANT has notified the

DISTRICT in writing prior to the costs being incurred and the Unit Price will only be increased if agreed to in advance by the DISTRICT.

5. Upon completion of the PROJECT, an actual accounting of the total PROJECT cost will be determined by the DISTRICT and the APPLICANT's required contribution will be adjusted based on the actual approved cost of the PROJECT. The APPLICANT will receive a refund from the DISTRICT should the final PROJECT cost be less than the approved actual amount. If the approved actual amount is more than the estimated APPLICANT's contribution, the APPLICANT agrees to pay the additional amount.
6. The DISTRICT further agrees, for a period of ten (10) years, to refund to the original APPLICANT the Unit Price for each new water service connected to the water main installed per this Agreement. In no instance will the amount of refund(s) to the APPLICANT exceed the DISTRICT's total approved actual amount for the PROJECT. Based on the initial estimate, which may be adjusted after the final project costs are determined, the maximum amount of refund to the APPLICANT would be \$29,539.40.
7. Before proceeding with construction, the DISTRICT must obtain approval of the Natural Resources and Environmental Protection Cabinet's Division of Water and all other approvals and permits that may be required for the PROJECT. In the event that there is a need to obtain easements or rights-of-way for the PROJECT, the DISTRICT and the APPLICANT will engage in a cooperative effort to acquire the same as needed. The DISTRICT will proceed on all matters that are required prior to constructing the PROJECT to ensure delays are minimized.
8. The DISTRICT shall inspect all of the work for the PROJECT and notify the APPLICANT in writing of any corrections or adjustments that may be needed to insure proper installation of the PROJECT. The APPLICANT agrees to make all requested adjustments or corrections in a timely manner. Upon acceptance of the PROJECT, the DISTRICT shall notify the APPLICANT in writing that the PROJECT has been accepted and ownership of the PROJECT transferred to the DISTRICT. The APPLICANT also agrees to provide, after PROJECT completion, a letter or affidavit from a licensed engineer verifying that the work completed by the APPLICANT or APPLICANT's agent was satisfactorily installed in accordance with the terms and requirements of this agreement.
9. If within one (1) year of the acceptance date any work performed by the APPLICANT, or the APPLICANT's agent, is found to be defective, the APPLICANT shall promptly and without cost to the DISTRICT correct such

defective work to the satisfaction of the DISTRICT. Any work which is repaired or replaced shall also be inspected, accepted and guaranteed as the original work as described in this paragraph. In the event that any guaranteed work is not repaired or adjusted in a reasonable time, the DISTRICT may do so and charge the APPLICANT any costs incurred by the DISTRICT.

10. After completion and acceptance of the PROJECT, metered service connections will be installed for each Connection Charge paid. The Connection Charge shall be based on the size of the tap requested and shall be the current charge in affect at the time of the service request.
11. This agreement will remain in affect for ten (10) years from the date that the PROJECT is installed and accepted by the DISTRICT.

IN TESTIMONY WHEREOF, witness the signatures of the Parties, this 1ST day of OCTOBER, 20 01.

HARDIN COUNTY WATER DISTRICT No. 1

BY: James S. Bruce

TITLE: GENERAL MANAGER

APPLICANT(s)

BY: W. R. Carl

BY: [Signature]

STATE OF KENTUCKY:

COUNTY OF HARDIN:

The foregoing instrument was executed, acknowledged, subscribed and sworn before me this 1st day of Oct

2001, by Bonnie Russell

My commission expires:

March 1, 2004

NOTARY PUBLIC

09/27/01

Trappers Ridge Estates

Water Main Extension - ESTIMATE

MTL's HCWD#1	LABOR	TOTAL	QUANT	ITEM	UNITS
\$8,515.80		\$8,515.80	3,420	PIPE- 6" C900 DR14 PVC Pipe	\$2.49
\$468.00		\$468.00	40	PIPE- 12" Steel Encasement Pipe	\$11.70
\$245.00		\$245.00	7	6" x 10" Steel Encasement Pipe Spacers	\$35.00
\$895.00		\$895.00	500	1" Type "K" Copper (FT)	\$1.79
\$447.00		\$447.00	300	3/4" Type "K" Copper (FT)	\$1.49
\$3,060.00		\$3,060.00	12	VALVES- 6" MJ Gate Valve	\$255.00
\$270.00		\$270.00	12	Valve Boxes - CI	\$22.50
\$325.00		\$325.00	1	12" x 6" Tapping Sleeve & Valve for PVC	\$325.00
\$400.47		\$400.47	1	6" MJ Tapping Valve	\$400.47
\$5,705.00		\$5,705.00	7	Hydrants-Kennedy	\$815.00
\$225.00		\$225.00	5	6" x 6" x 6" MJ Tee	\$45.00
\$69.00		\$69.00	1	6" x 6" x 6" x 6" MJ DI Cross	\$69.00
\$15.00		\$15.00	1	6" MJ Cap	\$15.00
\$1,430.00		\$1,430.00	52	6" DI Restrainer Gland for C900	\$27.50
\$73.00		\$73.00	4	6" x 3/4" Saddle C900	\$18.25
\$140.00		\$140.00	7	6" x 1" Saddle C900	\$20.00
\$56.00		\$56.00	14	Metal Fence Post	\$4.00
\$50.24		\$50.24	4	3/4" Corp	\$12.56
\$132.93		\$132.93	7	1" Corp	\$18.99
\$356.40		\$356.40	18	3/4" Curb Stop	\$19.80
\$245.00		\$245.00	7	1" x 3/4" x 3/4" Brass Wye	\$35.00
\$210.00		\$210.00	3,500	#12 Solid Tracer Wire	\$0.06
\$64.00		\$64.00	2	6" 11 1/4 Bend	\$32.00
\$65.00		\$65.00	2	6" 22 1/2 Bend	\$32.50
\$95.34		\$95.34	3	6" 45 Bend	\$31.78
\$690.00		\$690.00	120	DGA Backfill (Tons)	\$5.75
\$21.75		\$21.75	3	#9 Crushed Stone (Tons)	\$7.25
\$317.50		\$317.50	5	3000 psi Blocking Concrete (Cu. Yards)	\$63.50
\$5,000.00		\$5,000.00	1	Engineering Fees	\$5,000.00
\$150.00		\$150.00	1	DoW Plans Review Fee	\$150.00
\$3,000.00		\$3,000.00	1	LABOR (Outside Contractor)(Road bore 30ft)	\$3,000.00
\$350.00		\$350.00	1	6" Tap (WaterWorks)	\$350.00
\$11,115.00		\$11,115.00	3,420	Contractors Labor	\$3.25
\$490.00		\$490.00	1	Hydraulic Modeling (Quest Engineering)	\$490.00
	\$1,810.64	\$1,810.64	104	HCWD#1 Equipment (Hours)	
	\$1,248.00	\$1,248.00	104	HCWD #1 LABOR (Inspector)	
	\$287.04	\$287.04	104	HCWD #1 LABOR TAXES & BNFTS & OH	
\$38.91		\$38.91	3	HTH (Disinfectant)	\$12.97
\$30.00		\$30.00	2	Bac-T Samples	\$15.00
\$44,761.34	\$3,345.68	\$48,107.02		TOTAL Estimate	

\$48,107.02 TOTAL Project Cost

\$48,107.02 Developer Initial Payment (Dist Labor + Mtls)

\$14.07 Cost / Lineal Foot

\$703.32 50 Foot Section Cost (Per Lot Reimbursement)

\$29,539.40 Future District Tap Reimbursment (42 Taps)

\$18,868.50 Estim. Final Developer Contribution

\$29,539.40 Estim. Final District Contribution

39.2% Estim. Final Developer Percentage

60.8% Estim. Final District Percentage

WATER MAIN EXTENSION AGREEMENT

Per Authority of 807 KAR 5:066 Section 12(4)

AGREEMENT #: 02-01

1. This Agreement is made by and between Hardin County Water District No. 1 ("District") of 1400 Rogersville Road, Radcliff, Kentucky, 40160 and Joe K. Schlatter, 3600 Leitchfield Road, Cecilia, KY 42724 ("Applicant"). All parties of interest in this agreement are identified by signature hereon.
2. The DISTRICT and APPLICANT(S) hereby set forth certain terms under which the DISTRICT shall, upon execution of this Agreement and receipt of the APPLICANTS share of the estimated cost of the water main extension ("PROJECT"), extend a water main approximately 825 feet. For the purposes of this Agreement this PROJECT shall also be known as the "Whispering Hills Section 16", water main extension. The PROJECT beginning and ending points are described as follows:

Beginning at: An existing water main at the northwest corner of the intersection of Franklin Street and Jackson Street.

Ending at: Wagon Wheel Trail approximately 75.0' north of its intersection with Jackson Street.
3. Both parties agree that the DISTRICT shall decide if the PROJECT shall be built by the DISTRICT, the APPLICANT or an agent of either party. The DISTRICT may also choose to provide labor or materials as a portion or all of the DISTRICT's financial obligation to the PROJECT. Such decision shall be made by the DISTRICT and shall be made on the basis of the best financial choice for the DISTRICT and it's customers. It is further agreed that the PROJECT shall be constructed in accordance with the DISTRICT's current adopted Standard Construction Specifications. Construction consists of approximately 825 feet of six inch PVC pipe (DR14) and 1 hydrant(s), 4 valve(s) and related fittings as described in the attached exhibit (see Addendum #1 for details).
4. The DISTRICT's initial estimated contribution for each of fifty (50) lineal feet section ("Unit Price") equals \$1,353.72, based on the attached description work sheet (see Addendum #1). The APPLICANT's contribution of \$22,336.39, is based on the DISTRICT's construction cost total estimated PROJECT cost of \$22,336.39, an estimate made with due diligence to the details of construction requirements for this particular PROJECT. Increases to the Unit Price will be paid only if the APPLICANT has notified the DISTRICT in writing prior to the costs being incurred and the Unit Price will only be increased if agreed to in advance by the DISTRICT.
5. Upon completion of the PROJECT, an actual accounting of the total PROJECT cost will be determined by the DISTRICT and the APPLICANT's required contribution will be adjusted based on the actual approved cost of the PROJECT. The APPLICANT will receive a refund from the DISTRICT should the final PROJECT cost be less than the approved actual amount. If the approved actual amount is more than the estimated APPLICANT's contribution, the APPLICANT agrees to pay the additional amount.
6. The DISTRICT further agrees, for a period of ten (10) years, to refund to the original APPLICANT the Unit Price for each new water service connected to the water main installed per this Agreement. In no instance will the amount of refund(s) to the APPLICANT exceed the DISTRICT's total approved actual amount for the PROJECT. Based on the initial estimate, which may be adjusted after the final project

costs are determined, the maximum amount of refund to the APPLICANT would be \$22,336.39.

7. Before proceeding with construction, the DISTRICT must obtain approval of the Natural Resources and Environmental Protection Cabinet's Division of Water and all other approvals and permits that may be required for the PROJECT. In the event that there is a need to obtain easements or rights-of-way for the PROJECT, the DISTRICT and the APPLICANT will engage in a cooperative effort to acquire the same as needed. The DISTRICT will proceed on all matters that are required prior to constructing the PROJECT to ensure delays are minimized.
8. The DISTRICT shall inspect all of the work for the PROJECT and notify the APPLICANT in writing of any corrections or adjustments that may be needed to insure proper installation of the PROJECT. The APPLICANT agrees to make all requested adjustments or corrections in a timely manner. Upon acceptance of the PROJECT, the DISTRICT shall notify the APPLICANT in writing that the PROJECT has been accepted and ownership of the PROJECT transferred to the DISTRICT. The APPLICANT also agrees to provide, after PROJECT completion, a letter or affidavit from a licensed engineer verifying that the work completed by the APPLICANT or APPLICANT's agent was satisfactorily installed in accordance with the terms and requirements of this agreement.
9. If within one (1) year of the acceptance date any work performed by the APPLICANT, or the APPLICANT's agent, is found to be defective, the APPLICANT shall promptly and without cost to the DISTRICT correct such defective work to the satisfaction of the DISTRICT. Any work which is repaired or replaced shall also be inspected, accepted and guaranteed as the original work as described in this paragraph. In the event that any guaranteed work is not repaired or adjusted in a reasonable time, the DISTRICT may do so and charge the APPLICANT any costs incurred by the DISTRICT.
10. After completion and acceptance of the PROJECT, metered service connections will be installed for each Connection Charge paid. The Connection Charge shall be based on the size of the tap requested and shall be the current charge in affect at the time of the service request.

11. This agreement will remain in affect for ten (10) years from the date that the PROJECT is installed and accepted by the DISTRICT.

IN TESTIMONY WHEREOF, witness the signatures of the Parties, this 30TH day of MAY, 2002.

HARDIN COUNTY WATER DISTRICT No. 1

BY: James S. Buer
TITLE: GENERAL MANAGER

APPLICANT(s)

BY: Joe K. Schutte Jr
BY: [Signature]

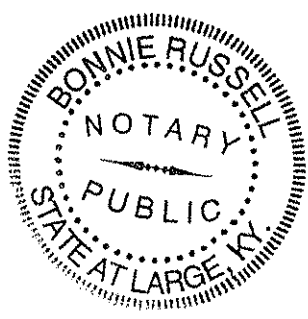
STATE OF KENTUCKY:

COUNTY OF HARDIN:

The foregoing instrument was executed, acknowledged, subscribed and sworn before me this 3 day of June, 2002, by Bonnie K. Russell

My commission expires: March 1, 2004

NOTARY PUBLIC



07/19/01

Whispering Hills Section 16

Water Main Extension - ESTIMATE

MTL's HCWD#1	LABOR	TOTAL	QUANT	ITEM	UNITS
\$2,646.00		\$2,646.00	840	PIPE- 6" C900 DR14 PVC Pipe	\$3.15
\$306.00		\$306.00	34	PIPE- 10" Steel Encasement Pipe	\$9.00
\$97.50		\$97.50	3	6" x 10" Steel Encasement Pipe Spacers	\$32.50
\$580.00		\$580.00	400	3/4" Type "K" Copper (FT)	\$1.45
\$747.00		\$747.00	3	VALVES- 6" MJ Gate Valve	\$249.00
\$100.00		\$100.00	4	Valve Boxes - CI	\$25.00
\$304.00		\$304.00	16	VALVES- 3/4" Ball Valve	\$19.00
\$365.00		\$365.00	1	VALVES- 6" FLG x MJ Gate Valve	\$365.00
\$275.00		\$275.00	1	6" x 6" Tapping Sleeve	\$275.00
\$799.00		\$799.00	1	Hydrants-Kennedy	\$799.00
\$93.00		\$93.00	2	6" x 6" x 6" MJ Tee	\$46.50
\$16.00		\$16.00	1	6" DI MJ Plug	\$16.00
\$319.00		\$319.00	11	FITTINGS- 6" DI Restrainer Gland	\$29.00
\$288.00		\$288.00	16	FITTINGS- 6" x 3/4" Saddle C900	\$18.00
\$176.00		\$176.00	16	FITTINGS- 3/4" Corp	\$11.00
\$60.00		\$60.00	1,000	#12 Solid Tracer Wire	\$0.06
\$431.25		\$431.25	75	DGA Backfill (Tons)	\$5.75
\$418.50		\$418.50	9	3000 psi Blocking Concrete (Cu. Yards)	\$46.50
\$600.00		\$600.00	1	Engineering Fees	\$600.00
\$150.00		\$150.00	1	DoW Plans Review Fee	\$150.00
\$12,235.37		\$12,235.37		LABOR (Outside Contractor)	
	\$696.40	\$696.40	40	HCWD#1 Equipment (Hours)	
	\$480.00	\$480.00	40	HCWD #1 LABOR (Inspector)	
	\$110.40	\$110.40	40	HCWD #1 LABOR TAXES & BNFTS & OH	
\$12.97		\$12.97	1	HTH (Disinfectant)	\$12.97
\$30.00		\$30.00	2	Bac-T Samples	\$15.00
\$21,049.59	\$1,286.80	\$22,336.39		TOTAL Estimate	

\$22,336.39 TOTAL Project Cost

\$22,336.39 Developer Initial Payment (Dist Labor + Mtl's)

\$27.07 Cost / Lineal Foot

\$1,353.72 50 Foot Section Cost (Per Lot Reimbursement)

\$22,336.39 Future District Tap Reimbursement (17 Taps)

\$0.00 Estim. Final Developer Contribution

\$22,336.39 Estim. Final District Contribution

0.0% Estim. Final Developer Percentage

100.0% Estim. Final District Percentage

WATER MAIN EXTENSION AGREEMENT

Per Authority of 807 KAR 5:066 Section 12(4)

AGREEMENT #: 00-02

1. This Agreement is made by and between Hardin County Water District No. 1 ("District") of 1400 Rogersville Road, Radcliff, Kentucky, 40160 and Mr. David L. Chandler ("Applicant"). All parties of interest in this agreement are identified by signature hereon.
2. The DISTRICT and APPLICANT(S) hereby set forth certain terms under which the DISTRICT shall, upon execution of this Agreement and receipt of the APPLICANTS share of the estimated cost of the water main extension ("PROJECT"), extend a water main approximately 540 feet. For the purposes of this Agreement this PROJECT shall also be known as the "Nighthawk Place", water main extension. The PROJECT beginning and ending points are described as follows:

Beginning at: At existing water main approximately 500 feet north of Nighthawk Place

Ending at: A point near the northwest corner of Nighthawk Place
3. Both parties agree that the DISTRICT shall decide if the PROJECT shall be built by the DISTRICT, the APPLICANT or an agent of either party. The DISTRICT may also choose to provide labor or materials as a portion or all of the DISTRICT's financial obligation to the PROJECT. Such decision shall be made by the DISTRICT and shall be made on the basis of the best financial choice for the DISTRICT and it's customers. It is further agreed that the PROJECT shall be constructed in accordance with the DISTRICT's current adopted Standard Construction Specifications. Construction consists of approximately 540 feet of six inch PVC pipe and 1 hydrant(s), 3 valve(s) and related fittings as described in the attached exhibit (see Addendum #1 for details).
4. The DISTRICT's initial estimated contribution for each of fifty (50) lineal feet section ("Unit Price") equals \$1,020.91, based on the attached description work sheet (see Addendum #1). The APPLICANT's contribution of \$9,890.83, is based on the DISTRICT's construction cost total estimated PROJECT cost of \$11,025.83, an estimate made with due diligence to the details of construction requirements for this particular PROJECT. Increases to the Unit Price will be paid only if the APPLICANT has notified the DISTRICT in writing prior to the costs being incurred and the Unit Price will only be increased if agreed to in advance by the DISTRICT.
5. Upon completion of the PROJECT, an actual accounting of the total PROJECT cost will be determined by the DISTRICT and the APPLICANT's required contribution will be adjusted based on the actual approved cost of the PROJECT. The APPLICANT will receive a refund from the DISTRICT should the final PROJECT cost be less than the approved actual amount. If the approved actual amount is more than the estimated APPLICANT's contribution, the APPLICANT agrees to pay the additional amount.
6. The DISTRICT further agrees, for a period of ten (10) years, to refund to the original APPLICANT the Unit Price for each new water service connected to the water main installed per this Agreement. In no instance will the amount of refund(s) to the APPLICANT exceed the DISTRICT's total approved actual amount for the PROJECT. Based on the initial estimate, which may be adjusted after the final project

costs are determined, the maximum amount of refund to the APPLICANT would be \$3,062.73.

7. Before proceeding with construction, the DISTRICT must obtain approval of the Natural Resources and Environmental Protection Cabinet's Division of Water and all other approvals and permits that may be required for the PROJECT. In the event that there is a need to obtain easements or rights-of-way for the PROJECT, the DISTRICT and the APPLICANT will engage in a cooperative effort to acquire the same as needed. The DISTRICT will proceed on all matters that are required prior to constructing the PROJECT to ensure delays are minimized.
8. The DISTRICT shall inspect all of the work for the PROJECT and notify the APPLICANT in writing of any corrections or adjustments that may be needed to insure proper installation of the PROJECT. The APPLICANT agrees to make all requested adjustments or corrections in a timely manner. Upon acceptance of the PROJECT, the DISTRICT shall notify the APPLICANT in writing that the PROJECT has been accepted and ownership of the PROJECT transferred to the DISTRICT. The APPLICANT also agrees to provide, after PROJECT completion, a letter or affidavit from a licensed engineer verifying that the work completed by the APPLICANT or APPLICANT's agent was satisfactorily installed in accordance with the terms and requirements of this agreement.
9. If within one (1) year of the acceptance date any work performed by the APPLICANT, or the APPLICANT's agent, is found to be defective, the APPLICANT shall promptly and without cost to the DISTRICT correct such defective work to the satisfaction of the DISTRICT. Any work which is repaired or replaced shall also be inspected, accepted and guaranteed as the original work as described in this paragraph. In the event that any guaranteed work is not repaired or adjusted in a reasonable time, the DISTRICT may do so and charge the APPLICANT any costs incurred by the DISTRICT.
10. After completion and acceptance of the PROJECT, metered service connections will be installed for each Connection Charge paid. The Connection Charge shall be based on the size of the tap requested and shall be the current charge in affect at the time of the service request.

11. This agreement will remain in affect for ten (10) years from the date that the PROJECT is installed and accepted by the DISTRICT.

IN TESTIMONY WHEREOF, witness the signatures of the Parties, this 28TH day of AUGUST, 2000.

HARDIN COUNTY WATER DISTRICT No. 1

BY: James Bruce
TITLE: GENERAL MANAGER

APPLICANT(s)

BY: D. D. O'Leary
BY: Rodcliff Elect. Supply

STATE OF KENTUCKY:

COUNTY OF HARDIN:

The foregoing instrument was executed, acknowledged, subscribed and sworn before me this 28th day of August, 2000, by Bonnie Russell

My commission expires: March 1, 2004

NOTARY PUBLIC

Addendum #1

08/24/00

NIGHT HAWK PLACE (Radcliff Electric)

Water Main Extension - ESTIMATE (Revised)

MTL's HCWD#1	LABOR	TOTAL	QUANT	ITEM
\$1,863.00		\$1,863.00	540	PIPE- 6" C900 PVC Pipe
\$537.00		\$537.00	2	VALVES- 6" MJ GATE VALVE
\$60.00		\$60.00	3	VALVE BOXES- CI
\$799.00		\$799.00	1	HYDRANTS- KENNEDY
\$1,100.00		\$1,100.00	1	12" X 12" X 6" DI TAP SLEEVE & VALVE
\$79.66		\$79.66	1	6" x 6" x 6" MJ TEE
\$32.00		\$32.00	1	FITTINGS- 6" MJ CAP
\$295.70		\$295.70	10	FITTINGS- 6" DI Restrainer Gland
\$120.00		\$120.00	2	FITTINGS- 22 1/2 DI BENDS
\$35.00		\$35.00	500	#12 Solid Tracer Wire
\$187.50		\$187.50	3	3000 psi Blocking Concrete (Cu. Yards)
\$67.20		\$67.20	12	DGA Backfill (Tons)
\$350.00		\$350.00	1	Outside Contractor - Water Works for 6" Tap
	\$1,135.00	\$1,135.00		Design Fee (Outside engineer)
	\$150.00	\$150.00	1	DoW Plans Review Fee
	\$1,008.00	\$1,008.00	24	HCWD#1 Equipment (Hours)
	\$1,913.88	\$1,913.88	72	HCWD#1 LABOR
	\$1,249.92	\$1,249.92	72	LABOR TAXES & BENEFITS & OVERHEAD
\$12.97		\$12.97	1	HTH (Disinfectant)
\$30.00		\$30.00	2	Bac-T Samples
\$5,569.03	\$5,456.80	\$11,025.83		TOTAL Estimate

\$11,025.83 TOTAL Project Cost

\$9,890.83 Developer Initial Payment (Dist Labor + Mtls)

\$20.42 Cost / Lineal Foot
 \$1,020.91 50 Foot Section Cost (Per Lot Reimbursement)
 \$3,062.73 Future District Tap Reimbursement (2 Taps)

 \$7,963.10 Estim. Final Developer Contribution
 \$3,062.73 Estim. Final District Contribution
 72.2% Estim. Final Developer Percentage
 27.8% Estim. Final District Percentage

WATER MAIN EXTENSION AGREEMENT

Per Authority of 807 KAR 5:066 Section 12(4)

AGREEMENT #: 04-2002

1. This Agreement is made by and between Hardin County Water District No. 1 ("District") of 1400 Rogersville Road, Radcliff, Kentucky, 40160 and Mr. Lynwood Wiseman of 592 Eureka Springs Drive, Lexington, KY. 40502 ("Applicant"). All parties of interest in this agreement are identified by signature hereon.

2. The DISTRICT and APPLICANT(S) hereby set forth certain terms under which the DISTRICT shall, upon execution of this Agreement and receipt of the APPLICANTS share of the estimated cost of the water main extension ("PROJECT"), extend a water main approximately 2,990 feet. For the purposes of this Agreement this PROJECT shall also be known as the "Notting Hill Subdivision - Section 1", water main extension. The PROJECT beginning and ending points are described as follows:

Beginning at: Off-Site: Northeast Corner of Lot 3, Voyage Village Subdivision, NE corner of Highways 313 and 31W

On-Site: NW Corner of the intersection of Wilson Road and Medical Center Drive

Ending at: Off-Site: NW Corner of the intersection of Wilson Road and Medical Center Drive

On-Site: SW and NE corners of Lot 81, Notting Hill Section 1 and the SW corner of Lot 117, Notting Hill Section 1

3. Both parties agree that the DISTRICT shall decide if the PROJECT shall be built by the DISTRICT, the APPLICANT or an agent of either party. The DISTRICT may also choose to provide labor or materials as a portion or all of the DISTRICT's financial obligation to the PROJECT. Such decision shall be made by the DISTRICT and shall be made on the basis of the best financial choice for the DISTRICT and it's customers. It is further agreed that the PROJECT shall be constructed in accordance with the DISTRICT's current adopted Standard Construction Specifications. Construction consists of approximately 4,155 feet of 8 inch PVC pipe, 1,390 feet of 6 inch PVC, 4 hydrant(s), 27 gate valves, 285 feet of 12 steel casing pipe and road boring and related fittings.

4. The DISTRICT's initial estimated contribution for each of fifty (50) lineal feet section ("Unit Price") equals \$1,642.02, based on the attached description work sheet (see Addendum #1). The APPLICANT's contribution of \$122,987.27, is based on the DISTRICT's construction cost total estimated PROJECT cost of \$182,099.98, an estimate made with due diligence to the details of construction requirements for this particular PROJECT. Increases to the Unit Price will be paid only if the APPLICANT has notified the DISTRICT in writing prior to the costs being incurred and the Unit Price will only be increased if agreed to in advance by the DISTRICT.

5. Upon completion of the PROJECT, an actual accounting of the total PROJECT cost will be determined by the DISTRICT and the APPLICANT's required contribution will be adjusted based

on the actual approved cost of the PROJECT. The APPLICANT will receive a refund from the DISTRICT should the final PROJECT cost be less than the approved actual amount. If the approved actual amount is more than the estimated APPLICANT's contribution, the APPLICANT agrees to pay the additional amount.

6. The DISTRICT further agrees, for a period of ten (10) years, to refund to the original APPLICANT the Unit Price for each new water service connected to the water main installed per this Agreement. In no instance will the amount of refund(s) to the APPLICANT exceed the DISTRICT's total approved actual amount for the PROJECT. Based on the initial estimate, which may be adjusted after the final project costs are determined, the maximum amount of refund to the APPLICANT would be \$59,112.71.
7. Before proceeding with construction, the DISTRICT must obtain approval of the Natural Resources and Environmental Protection Cabinet's Division of Water and all other approvals and permits that may be required for the PROJECT. In the event that there is a need to obtain easements or rights-of-way for the PROJECT, the DISTRICT and the APPLICANT will engage in a cooperative effort to acquire the same as needed. The DISTRICT will proceed on all matters that are required prior to constructing the PROJECT to ensure delays are minimized.
8. The DISTRICT shall inspect all of the work for the PROJECT and notify the APPLICANT in writing of any corrections or adjustments that may be needed to insure proper installation of the PROJECT. The APPLICANT agrees to make all requested adjustments or corrections in a timely manner. Upon acceptance of the PROJECT, the DISTRICT shall notify the APPLICANT in writing that the PROJECT has been accepted and ownership of the PROJECT transferred to the DISTRICT. The APPLICANT also agrees to provide, after PROJECT completion, a letter or affidavit from a licensed engineer verifying that the work completed by the APPLICANT or APPLICANT's agent was satisfactorily installed in accordance with the terms and requirements of this agreement.
9. If within one (1) year of the acceptance date any work performed by the APPLICANT, or the APPLICANT's agent, is found to be defective, the APPLICANT shall promptly and without cost to the DISTRICT correct such defective work to the satisfaction of the DISTRICT. Any work which is repaired or replaced shall also be inspected, accepted and guaranteed as the original work as described in this paragraph. In the event that any guaranteed work is not repaired or adjusted in a reasonable time, the DISTRICT may do so and charge the APPLICANT any costs incurred by the DISTRICT.
10. After completion and acceptance of the PROJECT, metered service connections will be installed for each Connection Charge paid. The Connection Charge shall be based on the size of the tap requested and shall be the current charge in affect at the time of the service request.

11. This agreement will remain in affect for ten (10) years from the date that the PROJECT is installed and accepted by the DISTRICT.

IN TESTIMONY WHEREOF, witness the signatures of the Parties, this 10TH day of DECEMBER, 2002.

HARDIN COUNTY WATER DISTRICT No. 1

BY: *James B. [Signature]*
TITLE: GENERAL MANAGER

APPLICANT(s)

BY: *[Signature]*
BY: _____

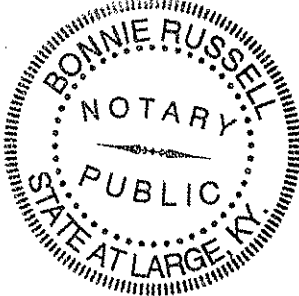
STATE OF KENTUCKY:

COUNTY OF HARDIN:

The foregoing instrument was executed, acknowledged, subscribed and sworn before me this 10 day of

Dec, 2002, by Bonnie Russell

My commission expires: March 1, 2004
Bonnie Russell
NOTARY PUBLIC



Notting Hill On & Off Site
Water Main Extension - ESTIMATE

MTL's						
HCWD#1	LABOR	TOTAL	QUANT	ITEM	UNITS	
\$16,432.00		\$16,432.00	4,160	PIPE- 8" C900 DR14 PVC Pipe	\$3.95	
\$3,290.00		\$3,290.00	1,400	PIPE- 6" C900 DR14 PVC Pipe	\$2.35	
\$3,420.00		\$3,420.00	285	PIPE- 12" Steel Encasement Pipe	\$12.00	
\$2,755.00		\$2,755.00	29	12" x 8" Steel Encasement Pipe Spacers	\$95.00	
\$400.00		\$400.00	4	12" x 8" Casing Seal	\$100.00	
\$719.27		\$719.27	1	6" Tapping Sleeve w/Gate Valve	\$719.27	
\$7,395.00		\$7,395.00	17	VALVES- 8" MJ GATE VALVE	\$435.00	
\$1,925.00		\$1,925.00	7	VALVES- 6" MJ GATE VALVE	\$275.00	
\$600.00		\$600.00	4	VALVES- 2" MJ GATE VALVE	\$150.00	
\$719.27		\$719.27	1	6" Tapping Sleeve w/Gate Valve	\$719.27	
\$627.20		\$627.20	28	VALVE BOXES- CI	\$22.40	
\$3,460.00		\$3,460.00	4	HYDRANTS- KENNEDY	\$865.00	
\$65.00		\$65.00	1	FITTINGS- 8" MJ TEE	\$65.00	
\$59.00		\$59.00	1	FITTINGS- 8" x 6" MJ TEE	\$59.00	
\$59.00		\$59.00	1	FITTINGS- 6" MJ TEE	\$59.00	
\$2,025.00		\$2,025.00	54	FITTINGS- 8" DI Restrainer Gland	\$37.50	
\$825.00		\$825.00	30	FITTINGS- 6" DI Restrainer Gland	\$27.50	
\$140.00		\$140.00	4	FITTINGS- 8" x 6" DI Reducer	\$35.00	
\$260.00		\$260.00	4	FITTINGS- 8" X 4" DI Reducer w/acc	\$65.00	
\$248.00		\$248.00	4	FITTINGS- 4" X 2" DI Reducer w/acc	\$62.00	
\$2.40		\$2.40	4	FITTINGS- 2" Plug	\$0.60	
\$180.00		\$180.00	4	FITTINGS- 8" 90s	\$45.00	
\$42.00		\$42.00	1	FITTINGS- 8" 45s	\$42.00	
\$43.00		\$43.00	1	FITTINGS- 8" 22.5	\$43.00	
\$58.00		\$58.00	2	FITTINGS- 6" 45s	\$29.00	
\$119.04		\$119.04	4	FITTINGS- 6" 22.5	\$29.76	
\$402.48		\$402.48	4	FITTINGS- 8" Cross	\$100.62	
\$80.00		\$80.00	4	FITTINGS- 8" Cap	\$20.00	
\$360.00		\$360.00	6,000	#12 Solid Tracer Wire	\$0.06	
\$562.50		\$562.50	9	3000 psi Blocking Concrete (Cu. Yards)	\$62.50	
\$2,240.00		\$2,240.00	400	DGA Backfill (Tons)	\$5.60	
\$36,145.00		\$36,145.00	1	Contractor Labor (On Site)	\$36,145.00	
\$87,963.00		\$87,963.00	1	Contractor Labor (Off Site)	\$87,963.00	
\$2,450.00		\$2,450.00	1	Engineering Fees	\$2,450.00	
\$150.00		\$150.00	1	DoW Plans Review Fee	\$150.00	
\$490.00		\$490.00	1	Hydraulic Analysis (Quest Engineers)	\$490.00	
	\$2,709.18	\$2,709.18	160	HCWD#1 Equipment (Hours)		
	\$2,103.86	\$2,103.86	160	LABOR		
	\$483.90	\$483.90	160	LABOR TAXES & BENEFITS		
\$51.88		\$51.88	4	HTH (Disinfectant)	\$12.97	
\$40.00		\$40.00	2	Bac-T Samples	\$20.00	
\$176,803.04	\$5,296.94	\$182,099.98	TOTAL Estimate			

124,108.00

\$182,099.98 TOTAL Project Cost
 \$182,099.98 Developer Initial Payment (Dist Labor + Mtl's)

192,211.52 *Yr* *Back*

3457 \$32.84 Cost / Lineal Foot
1728.58 \$1,642.02 50 Foot Section Cost (Per Lot Reimbursement)
63228.88 \$59,112.71 Future District Tap Reimbursement (36 Taps)

\$122,987.27 Estim. Final Developer Contribution + *6000.00* *to bring to total cost of*
 \$59,112.71 Estim. Final District Contribution
 67.5% Estim. Final Developer Percentage
 32.5% Estim. Final District Percentage

WATER MAIN EXTENSION AGREEMENT
Per Authority of 807 KAR 5:066 Section 12(4)

AGREEMENT #: 03-01

1. This Agreement is made by and between Hardin County Water District No. 1 ("District") of 1400 Rogersville Road, Radcliff, Kentucky, 40160 and Universal Interiors, Inc. of 2645 Leitchfield Road, Elizabethtown, Kentucky ("Applicant"). All parties of interest in this agreement are identified by signature hereon.
2. The DISTRICT and APPLICANT(S) hereby set forth certain terms under which the DISTRICT shall, upon execution of this Agreement and receipt of the APPLICANTS share of the estimated cost of the water main extension ("PROJECT"), extend a water main approximately 1,040 feet. For the purposes of this Agreement this PROJECT shall also be known as the "Meadowlake Subdivision - Section 10", water main extension. The PROJECT beginning and ending points are described as follows:

 Beginning at: The southwest corner of Meadowlake Drive and Wintergreen Drive
 Ending at: The end of Aster Drive and between Lots 101 and 188 on Meadowlake Drive
3. Both parties agree that the DISTRICT shall decide if the PROJECT shall be built by the DISTRICT, the APPLICANT or an agent of either party. The DISTRICT may also choose to provide labor or materials as a portion or all of the DISTRICT's financial obligation to the PROJECT. Such decision shall be made by the DISTRICT and shall be made on the basis of the best financial choice for the DISTRICT and it's customers. It is further agreed that the PROJECT shall be constructed in accordance with the DISTRICT's current adopted Standard Construction Specifications. Construction consists of approximately 1,040 feet of Six inch pipe, 2 hydrant(s), 5 valve(s) and related fittings as described in the attached exhibit (see Addendum #1 for details).
4. The DISTRICT's initial estimated contribution for each of fifty (50) lineal feet section ("Unit Price") equals \$769.98, based on the attached description work sheet (see Addendum #1). The APPLICANT's contribution of \$2,925.94, is based on the DISTRICT's construction cost total estimated PROJECT cost of \$16,015.66, an estimate made with due diligence to the details of construction requirements for this particular PROJECT. Increases to the Unit Price will be paid only if the APPLICANT has notified the DISTRICT in writing prior to the costs being incurred and the Unit Price will only be increased if agreed to in advance by the DISTRICT.
5. Upon completion of the PROJECT, an actual accounting of the total PROJECT cost will be determined by the DISTRICT and the APPLICANT's required contribution will be adjusted based on the actual approved cost of the PROJECT. The APPLICANT will receive a refund from the DISTRICT should the final PROJECT cost be less than the approved actual amount. If the approved actual amount is more than the estimated APPLICANT's contribution, the APPLICANT agrees to pay the additional amount.

The DISTRICT further agrees, for a period of ten (10) years, to refund to the original

APPLICANT the Unit Price for each new water service connected to the water main installed per this Agreement. In no instance will the amount of refund(s) to the APPLICANT exceed the DISTRICT's total approved actual amount for the PROJECT. Based on the initial estimate, which may be adjusted after the final project costs are determined, the maximum amount of refund to the APPLICANT would be \$13,089.72.

7. Before proceeding with construction, the DISTRICT must obtain approval of the Natural Resources and Environmental Protection Cabinet's Division of Water and all other approvals and permits that may be required for the PROJECT. In the event that there is a need to obtain easements or rights-of-way for the PROJECT, the DISTRICT and the APPLICANT will engage in a cooperative effort to acquire the same as needed. The DISTRICT will proceed on all matters that are required prior to constructing the PROJECT to ensure delays are minimized.
8. The DISTRICT shall inspect all of the work for the PROJECT and notify the APPLICANT in writing of any corrections or adjustments that may be needed to insure proper installation of the PROJECT. The APPLICANT agrees to make all requested adjustments or corrections in a timely manner. Upon acceptance of the PROJECT, the DISTRICT shall notify the APPLICANT in writing that the PROJECT has been accepted and ownership of the PROJECT transferred to the DISTRICT. The APPLICANT also agrees to provide, after PROJECT completion, a letter or affidavit from a licensed engineer verifying that the work completed by the APPLICANT or APPLICANT's agent was satisfactorily installed in accordance with the terms and requirements of this agreement.
9. If within one (1) year of the acceptance date any work performed by the APPLICANT, or the APPLICANT's agent, is found to be defective, the APPLICANT shall promptly and without cost to the DISTRICT correct such defective work to the satisfaction of the DISTRICT. Any work which is repaired or replaced shall also be inspected, accepted and guaranteed as the original work as described in this paragraph. In the event that any guaranteed work is not repaired or adjusted in a reasonable time, the DISTRICT may do so and charge the APPLICANT any costs incurred by the DISTRICT.
10. After completion and acceptance of the PROJECT, metered service connections will be installed for each Connection Charge paid. The Connection Charge shall be based on the size of the tap requested and shall be the current charge in affect at the time of the service request.
11. This agreement will remain in affect for ten (10) years from the date that the PROJECT is installed and accepted by the DISTRICT.

IN TESTIMONY WHEREOF, witness the signatures of the Parties, this 14TH day of MAY, 2003

HARDIN COUNTY WATER DISTRICT No. 1

BY: *James Buer*
TITLE: GENERAL MANAGER

APPLICANT(s)

BY: _____
BY: *Bruce Beasley*

STATE OF KENTUCKY:

COUNTY OF HARDIN:

The foregoing instrument was executed, acknowledged, subscribed and sworn before me this 14 day of May, 2003, by *Bonnie Russell*

My commission expires: *March 1, 2004*

NOTARY PUBLIC

05/13/03

Meadowlake, Section 10**Water Main Extension - ESTIMATE**

MTL's HCWD#1	LABOR	TOTAL	QUANT	ITEM	UNITS
\$4,149.60		\$4,149.60	1,040	PIPE- 6" C900 DR14 PVC Pipe	\$3.99
\$1,113.00		\$1,113.00	5	VALVES- 6" MJ GATE VALVE	\$222.60
\$125.00		\$125.00	5	CI Valve Box	\$25.00
\$1,798.00		\$1,798.00	2	HYDRANTS- KENNEDY	\$899.00
\$54.11		\$54.11	1	6" MJ Solid Siv DI c153	\$54.11
\$413.00		\$413.00	14	6" DI Restrainer Gland	\$29.50
\$93.00		\$93.00	2	6" x 6" Tee	\$46.50
\$58.00		\$58.00	2	6" 45 Bend	\$29.00
\$66.00		\$66.00	3	6" x 1" Saddle for C900	\$22.00
\$119.94		\$119.94	6	6" x 3/4" Saddle for C900	\$19.99
\$186.89		\$186.89	11	1" Corp Stop	\$16.99
\$78.00		\$78.00	6	3/4" Corp Stop	\$13.00
\$138.00		\$138.00	6	3/4" Curb Stop	\$23.00
\$50.00		\$50.00	2	1" x 3/4" x 3/4" Wye	\$25.00
\$171.00		\$171.00	150	1" K-Copper	\$1.14
\$270.00		\$270.00	300	3/4" K-Copper	\$0.90
\$120.00		\$120.00	1,500	#12 Solid Tracer Wire	\$0.08
\$100.00		\$100.00	5	Concrete Valve Box Collar	\$20.00
\$125.00		\$125.00	2	3000 psi Blocking Concrete (Cu. Yards)	\$62.50
\$540.00		\$540.00	80	Crushed Stone Backfill (Tons)	\$6.75
	\$3,885.52	\$3,885.52	1	Contractor Labor	\$13,720.00
	\$1,372.00	\$1,372.00	1	Engineering Fees	\$1,372.00
	\$150.00	\$150.00	1	DoW Plans Review Fee	\$150.00
	\$490.00	\$490.00	1	Hydraulic Analysis (Quest Engineers)	\$490.00
	\$150.05	\$150.05	8	HCWD#1 Equipment (Hours)	
	\$108.63	\$108.63	8	Inspector Labor	
	\$24.98	\$24.98	8	Inspector Labor Taxes & Benefits	
\$25.94		\$25.94	2	HTH (Disinfectant)	\$12.97
\$40.00		\$40.00	2	Bac-T Samples	\$20.00
\$9,834.48	\$6,181.18	\$16,015.66		TOTAL Estimate	

\$16,015.66 TOTAL Project Cost

\$10,608.14 Developer Initial Payment (Dist Labor + Mtls)

\$15.40 Cost / Lineal Foot

\$769.98 50 Foot Section Cost (Per Lot Reimbursement)

\$13,089.72 Future District Tap Reimbursment (16 Taps)

\$2,925.94 Estim. Final Developer Contribution

\$13,089.72 Estim. Final District Contribution

18.3% Estim. Final Developer Percentage

81.7% Estim. Final District Percentage

WATER MAIN EXTENSION AGREEMENT
Per Authority of 807 KAR 5:066 Section 12(4)

AGREEMENT #: 03-02

1. This Agreement is made by and between Hardin County Water District No. 1 ("District") of 1400 Rogersville Road, Radcliff, Kentucky, 40160 and Phillips Brothers Construction, LLC, of 5910 Flaherty Road, Vine Grove, Kentucky ("Applicant"). All parties of interest in this agreement are identified by signature hereon.

2. The DISTRICT and APPLICANT(S) hereby set forth certain terms under which the DISTRICT shall, upon execution of this Agreement and receipt of the APPLICANTS share of the estimated cost of the water main extension ("PROJECT"), extend a water main approximately 1,300 feet. For the purposes of this Agreement this PROJECT shall also be known as the "Rolling Hills Subdivision - Section 7", water main extension. The PROJECT beginning and ending points are described as follows:

Beginning at: The intersection of Rolling Hills Road and ^{Burnett L.P.} Shacklette Court

Ending at: The end of ^{Burnett L.P.} Shacklette Court

3. Both parties agree that the DISTRICT shall decide if the PROJECT shall be built by the DISTRICT, the APPLICANT or an agent of either party. The DISTRICT may also choose to provide labor or materials as a portion or all of the DISTRICT's financial obligation to the PROJECT. Such decision shall be made by the DISTRICT and shall be made on the basis of the best financial choice for the DISTRICT and it's customers. It is further agreed that the PROJECT shall be constructed in accordance with the DISTRICT's current adopted Standard Construction Specifications. Construction consists of approximately 1,300 feet of Six inch pipe, 1 hydrant(s), 2 valve(s) and related fittings as described in the attached exhibit (see Addendum #1 for details).

4. The DISTRICT's initial estimated contribution for each of fifty (50) lineal feet section ("Unit Price") equals \$697.52, based on the attached description work sheet (see Addendum #1). The APPLICANT's contribution of \$12,415.84, is based on the DISTRICT's construction cost total estimated PROJECT cost of \$7,672.71, an estimate made with due diligence to the details of construction requirements for this particular PROJECT. Increases to the Unit Price will be paid only if the APPLICANT has notified the DISTRICT in writing prior to the costs being incurred and the Unit Price will only be increased if agreed to in advance by the DISTRICT.

5. Upon completion of the PROJECT, an actual accounting of the total PROJECT cost will be determined by the DISTRICT and the APPLICANT's required contribution will be adjusted based on the actual approved cost of the PROJECT. The APPLICANT will receive a refund from the DISTRICT should the final PROJECT cost be less than the approved actual amount. If the approved actual amount is more than the estimated APPLICANT's contribution, the APPLICANT agrees to pay the additional amount.

6. The DISTRICT further agrees, for a period of ten (10) years, to refund to the original

APPLICANT the Unit Price for each new water service connected to the water main installed per this Agreement. In no instance will the amount of refund(s) to the APPLICANT exceed the DISTRICT's total approved actual amount for the PROJECT. Based on the initial estimate, which may be adjusted after the final project costs are determined, the maximum amount of refund to the APPLICANT would be \$7,672.71.

7. Before proceeding with construction, the DISTRICT must obtain approval of the Natural Resources and Environmental Protection Cabinet's Division of Water and all other approvals and permits that may be required for the PROJECT. In the event that there is a need to obtain easements or rights-of-way for the PROJECT, the DISTRICT and the APPLICANT will engage in a cooperative effort to acquire the same as needed. The DISTRICT will proceed on all matters that are required prior to constructing the PROJECT to ensure delays are minimized.
8. The DISTRICT shall inspect all of the work for the PROJECT and notify the APPLICANT in writing of any corrections or adjustments that may be needed to insure proper installation of the PROJECT. The APPLICANT agrees to make all requested adjustments or corrections in a timely manner. Upon acceptance of the PROJECT, the DISTRICT shall notify the APPLICANT in writing that the PROJECT has been accepted and ownership of the PROJECT transferred to the DISTRICT. The APPLICANT also agrees to provide, after PROJECT completion, a letter or affidavit from a licensed engineer verifying that the work completed by the APPLICANT or APPLICANT's agent was satisfactorily installed in accordance with the terms and requirements of this agreement.
9. If within one (1) year of the acceptance date any work performed by the APPLICANT, or the APPLICANT's agent, is found to be defective, the APPLICANT shall promptly and without cost to the DISTRICT correct such defective work to the satisfaction of the DISTRICT. Any work which is repaired or replaced shall also be inspected, accepted and guaranteed as the original work as described in this paragraph. In the event that any guaranteed work is not repaired or adjusted in a reasonable time, the DISTRICT may do so and charge the APPLICANT any costs incurred by the DISTRICT.
10. After completion and acceptance of the PROJECT, metered service connections will be installed for each Connection Charge paid. The Connection Charge shall be based on the size of the tap requested and shall be the current charge in affect at the time of the service request.
11. This agreement will remain in affect for ten (10) years from the date that the PROJECT is installed and accepted by the DISTRICT.

IN TESTIMONY WHEREOF, witness the signatures of the Parties, this 19TH day of MAY, 2003

HARDIN COUNTY WATER DISTRICT No. 1

BY: [Signature]
TITLE: GENERAL MANAGER

APPLICANT(S)

BY: _____
BY: [Signature]

STATE OF KENTUCKY:

COUNTY OF HARDIN:

The foregoing instrument was executed, acknowledged, subscribed and sworn before me this 19 day of May, 2003, by [Signature]

My commission expires: March 1, 2004

NOTARY PUBLIC

Rolling Hills Subdivision, Section 7

Water Main Extension - ESTIMATE

05/15/03

MTL's HCWD#1	LABOR	TOTAL	QUANT	ITEM	UNITS
\$4,108.00		\$4,108.00	1,300	PIPE- 6" C900 DR18 PVC Pipe	\$3.16
\$365.00		\$365.00	1	6" x 6" Tapping Sleeve for DI	\$365.00
\$510.00		\$510.00	2	VALVES- 6" MJ GATE VALVE	\$255.00
\$50.00		\$50.00	2	CI Valve Box	\$25.00
\$899.00		\$899.00	1	HYDRANTS- KENNEDY	\$899.00
\$354.00		\$354.00	12	6" DI Restrainer Gland	\$29.50
\$140.00		\$140.00	4	6" 22.5	\$35.00
\$19.99		\$19.99	1	6" x 3/4" Saddle for C900	\$19.99
\$44.00		\$44.00	2	6" x 1" Saddle for C900	\$22.00
\$13.00		\$13.00	1	3/4" Corp Stop	\$13.00
\$33.98		\$33.98	2	1" Corp Stop	\$16.99
\$23.00		\$23.00	1	3/4" Curb Stop	\$23.00
\$33.98		\$33.98	2	1" Curb Stop	\$16.99
\$99.00		\$99.00	110	3/4" K-Copper	\$0.90
\$114.00		\$114.00	100	1" K-Copper	\$1.14
\$120.00		\$120.00	1,500	#12 Solid Tracer Wire	\$0.08
\$50.00		\$50.00	2	1" x 3/4" x 3/4" Wye	\$25.00
\$40.00		\$40.00	2	Concrete Valve Box Collar	\$20.00
\$312.50		\$312.50	5	3000 psi Blocking Concrete (Cu. Yards)	\$62.50
\$148.50		\$148.50	22	Crushed Stone Backfill (Tons)	\$6.75
	\$9,734.00	\$9,734.00	1	Contractor Labor	\$18,873.86
	\$1,887.00	\$1,887.00	1	Engineering Fees	\$1,887.00
	\$150.00	\$150.00	1	DoW Plans Review Fee	\$150.00
	\$490.00	\$490.00	1	Hydraulic Analysis (Quest Engineers)	\$490.00
	\$150.05	\$150.05	8	HCWD#1 Equipment (Hours)	
	\$108.63	\$108.63	8	Inspector Labor	
	\$24.98	\$24.98	8	Inspector Labor Taxes & Benefits	
\$25.94		\$25.94	2	HTH (Disinfectant)	\$12.97
	\$40.00	\$40.00	2	Bac-T Samples	\$20.00
\$7,503.89	\$12,584.66	\$20,088.55	TOTAL Estimate		

\$20,088.55 TOTAL Project Cost

\$4,209.55 Developer Initial Payment (Dist Labor + Mtls - Pipe)

\$13.95 Cost / Lineal Foot

\$697.52 50 Foot Section Cost (Per Lot Reimbursement)

\$7,672.71 Future District Tap Reimbursment (10 Taps)

\$12,415.84 Estim. Final Developer Contribution

\$7,672.71 Estim. Final District Contribution

61.8% Estim. Final Developer Percentage

38.2% Estim. Final District Percentage

WATER MAIN EXTENSION AGREEMENT

Per Authority of 807 KAR 5:066 Section 12(4)

AGREEMENT #: 02-2004

1. This Agreement is made by and between Hardin County Water District No. 1 ("District") of 1400 Rogersville Road, Radcliff, Kentucky, 40160 and Gloryland Harvest Church, Inc. ("Applicant"). All parties of interest in this agreement are identified by signature hereon.

2. The DISTRICT and APPLICANT(S) hereby set forth certain terms under which the DISTRICT shall, upon execution of this Agreement and receipt of the APPLICANTS share of the estimated cost of the water main extension ("PROJECT"), extend a water main approximately 1,780 feet. For the purposes of this Agreement this PROJECT shall also be known as the "Gloryland Church", water main extension. The PROJECT beginning and ending points are described as follows:

 Beginning at: An existing water main at the southwest intersection of Wilma and South Woodland.

 Ending at: The northwest intersection of Vine Street and South Woodland.

3. Both parties agree that the DISTRICT shall decide if the PROJECT shall be built by the DISTRICT, the APPLICANT or an agent of either party. The DISTRICT may also choose to provide labor or materials as a portion or all of the DISTRICT's financial obligation to the PROJECT. Such decision shall be made by the DISTRICT and shall be made on the basis of the best financial choice for the DISTRICT and it's customers. It is further agreed that the PROJECT shall be constructed in accordance with the DISTRICT's current adopted Standard Construction Specifications. Construction consists of approximately 120 feet of six inch PVC pipe (DR-14) and 1,640 feet of eight inch (DR-14), 3 valve(s) and related fittings as described in the approved plans.

4. The DISTRICT's initial estimated contribution for each of fifty (50) lineal feet section ("Unit Price") equals \$1,221.41, based on the attached description work sheet (see Addendum #1). The APPLICANT's final contribution of \$22,718.22 is based on the DISTRICT's construction cost total estimated PROJECT cost of \$43,482.19, an estimate made with due diligence to the details of construction requirements for this particular PROJECT. Increases to the Unit Price will be paid only if the APPLICANT has notified the DISTRICT in writing prior to the costs being incurred and the Unit Price will only be increased if agreed to in advance by the DISTRICT.

5. Upon completion of the PROJECT, an actual accounting of the total PROJECT cost will be determined by the DISTRICT and the APPLICANT's required contribution will be adjusted based on the actual approved cost of the PROJECT. The APPLICANT will receive a refund from the DISTRICT should the final PROJECT cost be less than the approved actual amount. If the approved actual amount is more than the estimated APPLICANT's contribution, the APPLICANT agrees to pay the additional amount.

6. The DISTRICT further agrees, for a period of ten (10) years, to refund to the original APPLICANT the Unit Price for each new water service connected to the water main installed per this Agreement. In no instance will the amount of refund(s) to the APPLICANT exceed the DISTRICT's total approved actual amount for the PROJECT. Based on the initial estimate, which may be adjusted

after the final project costs are determined, the maximum amount of refund to the APPLICANT would be \$20,763.97.

7. Before proceeding with construction, the DISTRICT must obtain approval of the Natural Resources and Environmental Protection Cabinet's Division of Water and all other approvals and permits that may be required for the PROJECT. In the event that there is a need to obtain easements or rights-of-way for the PROJECT, the DISTRICT and the APPLICANT will engage in a cooperative effort to acquire the same as needed. The DISTRICT will proceed on all matters that are required prior to constructing the PROJECT to ensure delays are minimized.
8. The DISTRICT shall inspect all of the work for the PROJECT and notify the APPLICANT in writing of any corrections or adjustments that may be needed to insure proper installation of the PROJECT. The APPLICANT agrees to make all requested adjustments or corrections in a timely manner. Upon acceptance of the PROJECT, the DISTRICT shall notify the APPLICANT in writing that the PROJECT has been accepted and ownership of the PROJECT transferred to the DISTRICT. The APPLICANT also agrees to provide, after PROJECT completion, a letter or affidavit from a licensed engineer verifying that the work completed by the APPLICANT or APPLICANT's agent was satisfactorily installed in accordance with the terms and requirements of this agreement.
9. If within one (1) year of the acceptance date any work performed by the APPLICANT, or the APPLICANT's agent, is found to be defective, the APPLICANT shall promptly and without cost to the DISTRICT correct such defective work to the satisfaction of the DISTRICT. Any work which is repaired or replaced shall also be inspected, accepted and guaranteed as the original work as described in this paragraph. In the event that any guaranteed work is not repaired or adjusted in a reasonable time, the DISTRICT may do so and charge the APPLICANT any costs incurred by the DISTRICT.
10. After completion and acceptance of the PROJECT, metered service connections will be installed for each Connection Charge paid. The Connection Charge shall be based on the size of the tap requested and shall be the current charge in affect at the time of the service request.

11. This agreement will remain in affect for ten (10) years from the date that the PROJECT is installed and accepted by the DISTRICT.

IN TESTIMONY WHEREOF, witness the signatures of the Parties, this 10TH day of MAY, 2004.

HARDIN COUNTY WATER DISTRICT No. 1

BY: *James Bacon*
TITLE: GENERAL MANAGER

APPLICANT(s)

BY: *[Signature]*
BY: President *Clayton Hoover*

STATE OF KENTUCKY:

COUNTY OF HARDIN:

The foregoing instrument was executed, acknowledged, subscribed and sworn before me this 10 day of May, 2004, by *Bennie K. Hazlett*

My commission expires: *March, 2008*

NOTARY PUBLIC

Gloryland Harvest Church

Estimate 04/02/04

owner provided materials

Quantity	Materials	Unit Cost	Total	Materials Received note:
2	6" x 6" Fast Tap Tapping Sleeve CI	\$322.00	\$644.00	(1) estimate assumes domestic meter is 2" or smaller (2) installation cost (\$17.39 per ft) exceeds District reimbursable limits (3) installation cost reimbursement limits: \$150.00 per ft. cased road bore. \$9.00 per ft. main installation.
2	6" Tapping Valve	\$352.00	\$704.00	
3	CI Valve Box	\$28.00	\$84.00	
2	8" x 6" MJ Reducer	\$42.00	\$84.00	
2	6" Restrainer Gland C-900	\$24.00	\$48.00	
2	6" Restrainer DI	\$17.50	\$35.00	
10	8" Restrainer Gland C-900	\$34.00	\$340.00	
40	12" Steel Casing	\$12.50	\$500.00	
5	12" x 6" Casing Spacers	\$63.50	\$317.50	
1	8" MJ 90	\$64.50	\$64.50	
1660	8" C-900 DR-14	\$7.30	\$12,118.00	
2	8" MJ 45	\$53.00	\$106.00	
60	6" DI Pipe	\$7.01	\$420.60	
60	6" C-900 DR-14	\$4.25	\$255.00	
1	8" MJ Gate Valve	\$410.00	\$410.00	
2	12" x 6" Casing Boots	\$57.50	\$115.00	
2000	#12 Tracer Wire	\$0.09	\$180.00	
7	3000 psi concrete	\$62.50	\$437.50	
60	DGA (delivered)	\$7.75	\$465.00	
3	Line Marker	\$17.00	\$51.00	
2	Bact Sample	\$20.00	\$40.00	
1	HTH	\$14.00	\$14.00	
1	Contingency	\$0.00	\$0.00	
	Subtotal		\$17,433.10	

Labor/Equipment

1	Allowed Contractor Labor - Pipeline	\$16,020.00	\$16,020.00
1	Allowed Contractor Labor - Bore	\$6,000.00	\$6,000.00
1	Wiseman Engineering	\$2,400.00	\$2,400.00
1	Quest Engineering	\$500.00	\$500.00
40	HCWD No.1 Inspection	\$19.48	\$779.20
40	HCWD No.1 Equipment	\$4.56	\$182.40
3	Distribution Facility	\$5.83	\$17.49
1	DOW Submittal	\$150.00	\$150.00
	Subtotal		\$26,049.09

\$43,482.19 Total Reimbursable Project Cost~~\$1,570.09~~ Developer Estimate Deposit (Dist. Labor, Materials, Modeling)

\$24.43 Total Cost / Linear Foot

\$1,221.41 50 Foot Section Cost (Per Tap Reimbursement)

16 Future District Tap Reimbursements

\$20,763.97 Total \$ Reimbursement Possible (includes first 50 foot by District)

47.8% Total % Reimbursement Possible

List of items not included in WME Project / Reimbursement:

1	6" Ames DCV1000 Check Valve w/byp	\$775.00	\$775.00
1	36" x 42" Hancor Box	\$145.00	\$145.00
1	36" CI Extension Ring	\$245.00	\$245.00
1	20" CI Ring & Lid	\$37.50	\$37.50
1	8" x 6" MJ TEE	\$75.00	\$75.00
1	6" FL x MJ Adaptor	\$85.00	\$85.00
1	6" Full Face Flange Pak	\$26.36	\$26.36
1	6" MJ Gate Valve	\$255.00	\$255.00
2	8" Restrainer Gland C-900	\$41.00	\$82.00
1	CI Valve Box	\$22.50	\$22.50
4	6" Restrainer Gland C-900	\$28.99	\$115.96
20	6" C-900 DR-14	\$4.25	\$85.00
	Total		\$1,949.32

WATER MAIN EXTENSION AGREEMENT

Per Authority of 807 KAR 5:066 Section 12(4)

AGREEMENT #: 04-2004

1. This Agreement is made by and between Hardin County Water District No. 1 ("District") of 1400 Rogersville Road, Radcliff, Kentucky, 40160 and Bruce Beasley ("Applicant"). All parties of interest in this agreement are identified by signature hereon.
2. The DISTRICT and APPLICANT(S) hereby set forth certain terms under which the DISTRICT shall, upon execution of this Agreement and receipt of the APPLICANTS share of the estimated cost of the water main extension ("PROJECT"), extend a six inch water main approximately 1,360 feet and eight inch water main Approximately 1100 feet. For the purposes of this Agreement this PROJECT shall also be known as the "Meadowlake Section 12", water main extension. The PROJECT beginning and ending points are described as follows:

Eight Inch Water main

Beginning at the intersection of South Woodland Dr. and Wiselyn Dr. then proceeding north to the intersection of South Woodland Dr. And Wintergreen Dr.

Six Inch Water Main

(1) Beginning at lot 117 Meadowlake Section 12 and ending at the intersection of South Woodland and Meadowlake Dr. (2) Beginning at the intersection of South Woodland and Buttercup Ct. ending at lot 134 on Buttercup Ct. (3) Beginning at the 16 inch water main at the intersection of Wiselyn Dr. And Hwy. 313 and ending at lot 108 on Bluebell Circle.

Both parties agree that the DISTRICT shall decide if the PROJECT shall be built by the DISTRICT, the APPLICANT or an agent of either party. The DISTRICT may also choose to provide labor or materials as a portion or all of the DISTRICT's financial obligation to the PROJECT. Such decision shall be made by the DISTRICT and shall be made on the basis of the best financial choice for the DISTRICT and it's customers. It is further agreed that the PROJECT shall be constructed in accordance with the DISTRICT's current adopted Standard Construction Specifications. Construction consists of approximately 1,360 feet of six inch PVC pipe (DR-14) and 1,100 feet of eight inch (DR-14), 7 valve(s) and related fittings as described in the approved plans.

4. The DISTRICT's initial estimated contribution for each of fifty (50) lineal feet section ("Unit Price") equals \$1,037.10, based on the attached description work sheet (see Addendum #1). The APPLICANT's final contribution of \$13,689.67 is based on the DISTRICT's construction cost total estimated PROJECT cost of \$51,025.14, an estimate made with due diligence to the details of construction requirements for this particular PROJECT. Increases to the Unit Price will be paid only if the APPLICANT has notified the DISTRICT in writing prior to the costs being incurred and the Unit Price will only be increased if agreed to in advance by the DISTRICT.
5. Upon completion of the PROJECT, an actual accounting of the total PROJECT cost will be determined by the DISTRICT and the APPLICANT's required contribution will be adjusted based on the actual approved cost of the PROJECT. The APPLICANT will receive a refund from the DISTRICT should the final PROJECT cost be less than the approved actual amount. If the approved actual amount is more than the estimated APPLICANT's contribution, the APPLICANT agrees to pay the additional amount.,

6. The DISTRICT further agrees, for a period of ten (10) years, to refund to the original APPLICANT the Unit Price for each new water service connected to the water main installed per this Agreement. In no instance will the amount of refund(s) to the APPLICANT exceed the DISTRICT's total approved actual amount for the PROJECT. Based on the initial estimate, which may be adjusted after the final project costs are determined, the maximum amount of refund to the APPLICANT would be \$37,335.47.
7. Before proceeding with construction, the DISTRICT must obtain approval of the Natural Resources and Environmental Protection Cabinet's Division of Water and all other approvals and permits that may be required for the PROJECT. In the event that there is a need to obtain easements or rights-of-way for the PROJECT, the DISTRICT and the APPLICANT will engage in a cooperative effort to acquire the same as needed. The DISTRICT will proceed on all matters that are required prior to constructing the PROJECT to ensure delays are minimized.
8. The DISTRICT shall inspect all of the work for the PROJECT and notify the APPLICANT in writing of any corrections or adjustments that may be needed to insure proper installation of the PROJECT. The APPLICANT agrees to make all requested adjustments or corrections in a timely manner. Upon acceptance of the PROJECT, the DISTRICT shall notify the APPLICANT in writing that the PROJECT has been accepted and ownership of the PROJECT transferred to the DISTRICT. The APPLICANT also agrees to provide, after PROJECT completion, a letter or affidavit from a licensed engineer verifying that the work completed by the APPLICANT or APPLICANT's agent was satisfactorily installed in accordance with the terms and requirements of this agreement.
9. If within one (1) year of the acceptance date any work performed by the APPLICANT, or the APPLICANT's agent, is found to be defective, the APPLICANT shall promptly and without cost to the DISTRICT correct such defective work to the satisfaction of the DISTRICT. Any work which is repaired or replaced shall also be inspected, accepted and guaranteed as the original work as described in this paragraph. In the event that any guaranteed work is not repaired or adjusted in a reasonable time, the DISTRICT may do so and charge the APPLICANT any costs incurred by the DISTRICT.
10. After completion and acceptance of the PROJECT, metered service connections will be installed for each Connection Charge paid. The Connection Charge shall be based on the size of the tap requested and shall be the current charge in affect at the time of the service request.

11. This agreement will remain in affect for ten (10) years from the date that the PROJECT is installed and accepted by the DISTRICT.

IN TESTIMONY WHEREOF, witness the signatures of the Parties, this 15TH day of JUNE, 2004.

HARDIN COUNTY WATER DISTRICT No. 1

BY: *James Bruce*
TITLE: GENERAL MANAGER

APPLICANT(s)

BY: *Bruce Beasley*
BY: _____

STATE OF KENTUCKY:

COUNTY OF HARDIN:

The foregoing instrument was executed, acknowledged, subscribed and sworn before me this 14 day of June, 2004, by *Dennick K. Hazlett*

My commission expires: *March 1, 2008*
Dennick K. Hazlett

NOTARY PUBLIC

Meadowlake Sect.12 WME
Estimate 06/14/04

Addendum #1

Quantity	Materials	Owen Peters Unit Cost	Owen Peters Actual
2	8" 45 Bend	\$55.78	\$111.56
2	8" x 8" x 6" MJ Tee	\$80.81	\$161.62
2	8" MJ Gate Valve	\$394.66	\$789.32
1	6" MJ Tee	\$56.78	\$56.78
3	42" Bury 3 Way Fire Hydrant	\$862.57	\$2,587.71
5	6" MJ Gate Valve	\$247.79	\$1,238.95
8	CI Valve Box	\$22.50	\$180.00
7	6" MJ 45 Bend	\$36.69	\$256.83
1	DCV 1000 Check Valve	\$471.60	\$471.60
2	6" Flange x MJ Adaptor	\$85.00	\$170.00
1	36" x 42" Meter Box	\$138.60	\$138.60
1	36" x 20" Extension Ring	\$214.54	\$214.54
1	20" Ring & Lid	\$35.00	\$35.00
1	16" x 6" Tapping Sleeve	\$861.62	\$861.62
1	8" x 6" MJ Reducer	\$44.11	\$44.11
1	6" Tapping Valve	\$349.34	\$349.34
1	6" Restrainer SDR21	\$28.99	\$28.99
36	6" Restrainer Gland C-900	\$29.60	\$1,065.60
14	8" Restrainer Gland C-900	\$40.69	\$569.66
1360	6" C-900 DR14 Pipe	\$3.92	\$5,331.20
1100	8" C-900 DR14 Pipe	\$6.77	\$7,447.00
2500	#12 Solid Tracer Wire	\$0.09	\$225.00
40	10 Steel Casing	\$0.00	\$0.00
5	10" x 6" Casing Spacers	\$0.00	\$0.00
2	10" x 6" Casing Boots	\$0.00	\$0.00
6	6" x 1" Saddle C-900	\$16.34	\$98.04
3	8" x 1" Saddle C-900	\$22.21	\$66.63
2	8 x 3/4" Saddle C-900	\$22.21	\$44.42
9	1" Corporation	\$13.82	\$124.38
2	3/4" Corporation	\$9.14	\$18.28
350	1" K-Copper	\$1.35	\$472.50
150	3/4" K-Copper	\$1.19	\$178.50
16	3/4" Curb Stop	\$16.47	\$263.52
7	1" x 3/4" x 3/4" Wye Branch	\$18.32	\$128.24
16	6" Tee Post	\$3.69	\$59.04
1	HTH		\$0.00
6	Bact Sample	\$20.00	\$120.00
140	DGA		\$0.00
1	Wet Tap (outside contract)		\$0.00
516	Restoration		\$0.00
1	10% Contingency		\$0.00
	Subtotal		\$23,908.58
Cor/Equipment			
1	Allowed Contractor Labor - Pipeline	\$20,780.00	\$20,780.00
0	Allowed Contractor Labor - Bore	\$0.00	\$0.00
1	EDG Engineering (Waterline Only)	\$4,432.50	\$4,432.50
1	Quest Engineering	\$500.00	\$500.00
40	HCWD No.1 Labor (+ Benefits)	\$19.48	\$779.20
40	HCWD No.1 Equipment	\$5.39	\$215.60
	HCWD No.1 Equipment Rental		\$0.00
40	Liability Insurance	\$6.19	\$247.60
2	Distribution Facility	\$5.83	\$11.66
1	DOW Submittal	\$150.00	\$150.00
	Subtotal		\$27,116.56
			\$51,025.14 Total Reimbursable Project Cost
			\$1,874.06 Developer Estimate Deposit (Dist. Labor,Materials,Modeling)
			\$20.74 Total Cost / Linear Foot
			\$1,037.10 50 Foot Section Cost (Per Tap Reimbursement)
			35 Future District Tap Reimbursements
			\$37,335.47 Total \$ Reimbursement Possible (includes first 50 foot by District)
			73.2% Total % Reimbursement Possible

WATER MAIN EXTENSION AGREEMENT

Per Authority of 807 KAR 5:066 Section 12(4)

AGREEMENT #: 05-2004

1. This Agreement is made by and between Hardin County Water District No. 1 ("District") of 1400 Rogersville Road, Radcliff, Kentucky, 40160 and ChrisMcGehee, P.O. Box 309 Brandenburg, KY 40108 ("Applicant"). All parties of interest in this agreement are identified by signature hereon.

2. The DISTRICT and APPLICANT(S) hereby set forth certain terms under which the DISTRICT shall, upon execution of this Agreement and receipt of the APPLICANTS share of the estimated cost of the water main extension ("PROJECT"), extend a water main approximately 3,780 feet. For the purposes of this Agreement this PROJECT shall also be known as the "Padgett View Subdivision", water main extension. The PROJECT beginning and ending points are described as follows:

 Beginning at: Begin at the existing 6" water main on Long Grove Road.
 Ending at: Ending at a point adjacent to lot number 24 and lot 46 respectivley on Padgett Road as noted on original DoW approved water plans dated July 16, 2004.

3. Both parties agree that the DISTRICT shall decide if the PROJECT shall be built by the DISTRICT, the APPLICANT or an agent of either party. The DISTRICT may also choose to provide labor or materials as a portion or all of the DISTRICT's financial obligation to the PROJECT. Such decision shall be made by the DISTRICT and shall be made on the basis of the best financial choice for the DISTRICT and it's customers. It is further agreed that the PROJECT shall be constructed in accordance with the DISTRICT's current adopted Standard Construction Specifications. Construction consists of approximately 3,780 feet of six inch PVC pipe (DR-14), 10 valve(s), 4 fire hydrants and related fittings as described in the approved plans.

4. The DISTRICT's initial estimated contribution for each of fifty (50) lineal feet section ("Unit Price") equals \$612.48, based on the attached description work sheet (see Addendum #1). The APPLICANT's final contribution of \$31,297.95 is based on the DISTRICT's construction cost total estimated PROJECT cost of \$45,997.57, an estimate made with due diligence to the details of construction requirements for this particular PROJECT. Increases to the Unit Price will be paid only if the APPLICANT has notified the DISTRICT in writing prior to the costs being incurred and the Unit Price will only be increased if agreed to in advance by the DISTRICT.

5. Upon completion of the PROJECT, an actual accounting of the total PROJECT cost will be determined by the DISTRICT and the APPLICANT's required contribution will be adjusted based on the actual approved cost of the PROJECT. The APPLICANT will receive a refund from the DISTRICT should the final PROJECT cost be less than the approved actual amount. If the approved actual amount is more than the estimated APPLICANT's contribution, the APPLICANT agrees to pay the additional amount.

6. The DISTRICT further agrees, for a period of ten (10) years, to refund to the original APPLICANT the Unit Price for each new water service connected to the water main installed per this Agreement. In no instance will the amount of refund(s) to the APPLICANT exceed the DISTRICT's total approved actual amount for the PROJECT. Based on the initial estimate, which may be adjusted after the final project costs are determined, the maximum amount of refund to the APPLICANT would be \$14,699.62.

7. Before proceeding with construction, the DISTRICT must obtain approval of the Natural Resources and Environmental Protection Cabinet's Division of Water and all other approvals and permits that may be required for the PROJECT. In the event that there is a need to obtain easements or rights-of-way for the PROJECT, the DISTRICT and the APPLICANT will engage in a cooperative effort to acquire the same as needed. The DISTRICT will proceed on all matters that are required prior to constructing the PROJECT to ensure delays are minimized.
8. The DISTRICT shall inspect all of the work for the PROJECT and notify the APPLICANT in writing of any corrections or adjustments that may be needed to insure proper installation of the PROJECT. The APPLICANT agrees to make all requested adjustments or corrections in a timely manner. Upon acceptance of the PROJECT, the DISTRICT shall notify the APPLICANT in writing that the PROJECT has been accepted and ownership of the PROJECT transferred to the DISTRICT. The APPLICANT also agrees to provide, after PROJECT completion, a letter or affidavit from a licensed engineer verifying that the work completed by the APPLICANT or APPLICANT's agent was satisfactorily installed in accordance with the terms and requirements of this agreement.
9. If within one (1) year of the acceptance date any work performed by the APPLICANT, or the APPLICANT's agent, is found to be defective, the APPLICANT shall promptly and without cost to the DISTRICT correct such defective work to the satisfaction of the DISTRICT. Any work which is repaired or replaced shall also be inspected, accepted and guaranteed as the original work as described in this paragraph. In the event that any guaranteed work is not repaired or adjusted in a reasonable time, the DISTRICT may do so and charge the APPLICANT any costs incurred by the DISTRICT.
10. After completion and acceptance of the PROJECT, metered service connections will be installed for each Connection Charge paid. The Connection Charge shall be based on the size of the tap requested and shall be the current charge in affect at the time of the service request.

IN TESTIMONY WHEREOF, witness the signatures of the Parties, this 11TH day of FEBRUARY, 2005.

HARDIN COUNTY WATER DISTRICT No. 1

BY: *[Signature]*
TITLE: GENERAL MANAGER

APPLICANT(s)

BY: *[Signature]*
BY: _____

STATE OF KENTUCKY:

COUNTY OF HARDIN:

The foregoing instrument was executed, acknowledged, subscribed and sworn before me this 11 day of February, 2005, by _____

My commission expires: *[Signature]*
Oct. 30, 2008

NOTARY PUBLIC

Ashley Estates
Estimate 02/02/05 Hughes

Quantity	Materials	Unit Cost	Total
1	8" x 6" Fast Tap Tapping Sleeve	\$310.00	\$310.00
1	6" Tapping Valve	\$394.00	\$394.00
20	10" Steel Casing	\$18.00	\$360.00
2	10" x 6" Casing Seals	\$48.00	\$96.00
4	10" x 6" Casing Spacers	\$17.34	\$69.36
5	CI Screw Type Valve Box 36"-42"	\$34.50	\$172.50
2	6" MJ Tee	\$56.44	\$112.88
3	42" Bury 3 Way Fire Hydrant	\$880.00	\$2,640.00
4	6" MJ Gate Valve	\$269.48	\$1,077.92
3	6" MJ 45 Bend	\$36.47	\$109.41
1000	6" C-900 DR14 Pipe	\$4.08	\$4,080.00
1000	#12 Solid Tracer Wire	\$0.06	\$60.00
24	6" Restrainer C-900 w/assoc.	\$23.30	\$559.20
140	2" sch40 PVC	\$0.45	\$63.00
5	6" x 1" C-900 Saddle S90-604	\$21.29	\$106.45
5	1" Corporation F10004Q	\$31.19	\$155.95
1	6" x 3/4" Saddle S90-603	\$21.29	\$21.29
1	3/4" corporation F10003Q	\$10.46	\$10.46
5	1" x 3/4" x 3/4" Wye Y44-243Q	\$15.26	\$76.30
11	3/4" Curb Stop B44-333Q	\$21.40	\$235.40
11	6" Tee post	\$4.75	\$52.25
200	1" K-Copper	\$2.04	\$408.00
50	3/4" K-Copper	\$1.56	\$78.00
8	3000psi Concrete	\$62.50	\$500.00
12	Flowable Fill	\$49.38	\$592.56
2	HTH	\$10.00	\$20.00
2	Bact Sample	\$20.00	\$40.00
60	DGA	\$6.25	\$375.00
0	Restoration	\$0.00	\$0.00
1	10% Contingency	\$1,277.00	\$1,277.00
		Subtotal	\$14,052.93

Labor/Equipment

1	Allowed Contractor Labor - Pipeline	\$14,200.00	\$14,200.00
0	Allowed Contractor Labor - Bore	\$0.00	\$0.00
1	Turner Engineering (Waterline Only)	\$500.00	\$500.00
1	Quest Engineering	\$505.00	\$505.00
40	HCWD No.1 Labor (+ Benefits)	\$19.48	\$779.20
40	HCWD No.1 Equipment	\$5.39	\$215.60
0	HCWD No.1 Equipment Rental	\$0.00	\$0.00
40	Liability Insurance	\$6.19	\$247.60
2	Distribution Facility	\$5.83	\$11.66
1	DOW Submittal	\$150.00	\$150.00
		Subtotal	\$16,609.06

\$30,661.99 Total Reimbursable Project Cost
 -\$15,811.99 Developer Estimate Deposit (Dist. Labor, Materials, Modeling) *Dep. Amt*
 \$30.66 Total Cost / Linear Foot
\$1,533.10 50 Foot Section Cost (Per Tap Reimbursement)
 22 Future District Tap Reimbursements
\$35,261.29 Total \$ Reimbursement Possible (includes first 50 foot by District)
 115.0% Total % Reimbursement Possible

note: D59 exceeds total project cost.
 Total reimbursement \$30,661.99

WATER MAIN EXTENSION AGREEMENT

Per Authority of 807 KAR 5:066 Section 12(4)

AGREEMENT #: 02-2005

1. This Agreement is made by and between Hardin County Water District No. 1 ("District") of 1400 Rogersville Road, Radcliff, Kentucky, 40160 and Murrell Construction, Inc. ("Applicant"). All parties of interest in this agreement are identified by signature hereon.

2. The DISTRICT and APPLICANT(S) hereby set forth certain terms under which the DISTRICT shall, upon execution of this Agreement and receipt of the APPLICANTS share of the estimated cost of the water main extension ("PROJECT"), extend a water main approximately 1720 feet. For the purposes of this Agreement this PROJECT shall also be known as the "Notting Hills Section II", water main extension. The PROJECT beginning and ending points are described as follows:

 Beginning at: Begin at the existing 8" water main line at lot 81, Section 1 of Notting Hills.
 Ending at: Ending at a point lot 50, Section 2 Notting Hills to include Longsdale Court and Westbourne Court, as noted on original DoW approved water plans dated January 09, 2005.

3. Both parties agree that the DISTRICT shall decide if the PROJECT shall be built by the DISTRICT, the APPLICANT or an agent of either party. The DISTRICT may also choose to provide labor or materials as a portion or all of the DISTRICT's financial obligation to the PROJECT. Such decision shall be made by the DISTRICT and shall be made on the basis of the best financial choice for the DISTRICT and it's customers. It is further agreed that the PROJECT shall be constructed in accordance with the DISTRICT's current adopted Standard Construction Specifications. Construction consists of approximately 1020 feet of six inch PVC pipe (DR-14), 700 feet of eight-inch PVC pipe (DR-14), 10 valve(s), 5 fire hydrants and related fittings as described in the approved plans.

4. The DISTRICT's initial estimated contribution for each of fifty (50) lineal feet section ("Unit Price") equals \$1,307.43, based on the attached description work sheet (see Addendum #1). The APPLICANT's final contribution of \$0.00 is based on the DISTRICT's construction cost total estimated PROJECT cost of \$44,975.46 an estimate made with due diligence to the details of construction requirements for this particular PROJECT. Increases to the Unit Price will be paid only if the APPLICANT has notified the DISTRICT in writing prior to the costs being incurred and the Unit Price will only be increased if agreed to in advance by the DISTRICT.

5. Upon completion of the PROJECT, an actual accounting of the total PROJECT cost will be determined by the DISTRICT and the APPLICANT's required contribution will be adjusted based on the actual approved cost of the PROJECT. The APPLICANT will receive a refund from the DISTRICT should the final PROJECT cost be less than the approved actual amount. If the approved actual amount is more than the estimated APPLICANT's contribution, the APPLICANT agrees to pay the additional amount.

6. The DISTRICT further agrees, for a period of ten (10) years, to refund to the original APPLICANT the Unit Price for each new water service connected to the water main installed per this Agreement. In no instance will the amount of refund(s) to the APPLICANT exceed the DISTRICT's total approved actual amount for the PROJECT. Based on the initial estimate, which may be adjusted after the final project costs are determined, the maximum amount of refund to the APPLICANT would be \$44,975.46.

7. Before proceeding with construction, the DISTRICT must obtain approval of the Natural Resources and Environmental Protection Cabinet's Division of Water and all other approvals and permits that may be required for the PROJECT. In the event that there is a need to obtain easements or rights-of-way for the PROJECT, the DISTRICT and the APPLICANT will engage in a cooperative effort to acquire the same as needed. The DISTRICT will proceed on all matters that are required prior to constructing the PROJECT to ensure delays are minimized.
8. The DISTRICT shall inspect all of the work for the PROJECT and notify the APPLICANT in writing of any corrections or adjustments that may be needed to insure proper installation of the PROJECT. The APPLICANT agrees to make all requested adjustments or corrections in a timely manner. Upon acceptance of the PROJECT, the DISTRICT shall notify the APPLICANT in writing that the PROJECT has been accepted and ownership of the PROJECT transferred to the DISTRICT. The APPLICANT also agrees to provide, after PROJECT completion, a letter or affidavit from a licensed engineer verifying that the work completed by the APPLICANT or APPLICANT's agent was satisfactorily installed in accordance with the terms and requirements of this agreement.
9. If within one (1) year of the acceptance date any work performed by the APPLICANT, or the APPLICANT's agent, is found to be defective, the APPLICANT shall promptly and without cost to the DISTRICT correct such defective work to the satisfaction of the DISTRICT. Any work which is repaired or replaced shall also be inspected, accepted and guaranteed as the original work as described in this paragraph. In the event that any guaranteed work is not repaired or adjusted in a reasonable time, the DISTRICT may do so and charge the APPLICANT any costs incurred by the DISTRICT.
10. After completion and acceptance of the PROJECT, metered service connections will be installed for each Connection Charge paid. The Connection Charge shall be based on the size of the tap requested and shall be the current charge in affect at the time of the service request.
11. This agreement will remain in affect for ten (10) years from the date that the PROJECT is installed and accepted by the DISTRICT.

11. This agreement will remain in affect for ten (10) years from the date that the PROJECT is installed and accepted by the DISTRICT.

IN TESTIMONY WHEREOF, witness the signatures of the Parties, this 11TH day of OCTOBER, 2004.

HARDIN COUNTY WATER DISTRICT No. 1

BY: *Janna Bruce*
TITLE: GENERAL MANAGER

APPLICANT(s)

BY: *Chris McHester by John Deener POA*
BY: _____

STATE OF KENTUCKY:

COUNTY OF HARDIN:

The foregoing instrument was executed, acknowledged, subscribed and sworn before me this 11 day of October, 2004, by *Aaron B. Tyler*

My commission expires: *Oct 30, 2004*
Aaron B. Tyler
NOTARY PUBLIC

Padgett View Estates WME

Estimate 09/28/04

Quantity	Materials	Unit Cost	Total	Materials Received
1	6" x 6" Tapping Sleeve PVC	\$299.00	\$299.00	
1	6" Tapping Valve	\$369.00	\$369.00	
10	Cj Valve Box	\$35.00	\$350.00	
9	6" MJ Gate Valve	\$244.00	\$2,196.00	
4	5 1/4", 42" Bury, 3-Way Fire Hydrant	\$865.00	\$3,460.00	
5	6" MJ Tee	\$59.00	\$295.00	
6	6" MJ 45 Bend	\$39.00	\$234.00	
2	6" MJ Cap	\$19.99	\$39.98	
3780	6" C-900 DR-14 Pipe	\$3.99	\$15,082.20	
3780	#12 Solid Tracer Wire	\$0.10	\$378.00	
50	6" Restrainer C-900	\$29.99	\$1,499.50	
4	6" x 1" Saddle C-900	\$19.99	\$79.96	
4	1" Corporation	\$21.00	\$84.00	
200	1" K-Copper	\$1.99	\$398.00	
4	1" x 3/4" x 3/4" Brass WYE	\$16.99	\$67.96	
40	3/4" K-Copper	\$1.56	\$62.40	
8	3/4" Curb Stop	\$26.72	\$213.76	
8	6" T Post	\$3.69	\$29.52	
160	2" PVC Casing	\$0.61	\$97.60	
6	3000 psi Concrete	\$62.50	\$375.00	
40	#9 Rock	\$7.75	\$310.00	
3	Line Marker	\$17.00	\$51.00	
4	Bact Sample	\$20.00	\$80.00	
1	HTH	\$15.00	\$15.00	
1	Wet Tap (outside contract)	\$400.00	\$400.00	
1	Contingency (10% of estimated materials)	\$2,646.00	\$2,646.00	
	Subtotal		\$29,112.88	

Labor/Equipment

1	Allowed Contractor Labor - Pipeline	\$10,612.50	\$10,612.50
0	Allowed Contractor Labor - Bore	\$0.00	\$0.00
1	EDG Engineering (Waterline Only)	\$4,395.50	\$4,395.50
1	Quest Engineering	\$500.00	\$500.00
40	HCWD No.1 Labor (+ Benefits)	\$19.48	\$779.20
40	HCWD No.1 Equipment	\$4.56	\$182.40
0	HCWD No.1 Equipment Rental	\$0.00	\$0.00
40	Liability Insurance	\$6.19	\$247.60
3	Distribution Facility	\$5.83	\$17.49
1	DOV Submittal	\$150.00	\$150.00
	Subtotal		\$16,884.69

\$45,997.57 Total Reimbursable Project Cost
 \$30,839.57 Developer Estimate Deposit (Dist. Labor, Materials, Modeling)
 \$12.25 Total Cost / Linear Foot
 \$612.48 50 Foot Section Cost (Per Tap Reimbursement)
 23 Future District Tap Reimbursements

 \$14,699.62 Total \$ Reimbursement Possible (includes first 50 foot by District)
 32.0% Total % Reimbursement Possible

WATER MAIN EXTENSION AGREEMENT

Per Authority of 807 KAR 5:066 Section 12(4)

AGREEMENT #: 03-2004

1. This Agreement is made by and between Hardin County Water District No. 1 ("District") of 1400 Rogersville Road, Radcliff, Kentucky, 40160 and North Hardin/Radcliff Industrial Development Association ("Applicant"). All parties of interest in this agreement are identified by signature hereon.
2. The DISTRICT and APPLICANT(S) hereby set forth certain terms under which the DISTRICT shall, upon execution of this Agreement and receipt of the APPLICANTS share of the estimated cost of the water main extension ("PROJECT"), extend a water main approximately 750 feet. For the purposes of this Agreement this PROJECT shall also be known as the "Millpond", water main extension. The PROJECT beginning and ending points are described as follows:

Beginning at: An existing 14" water main at lot 1.
Ending at: 750 feet north of above starting point.
3. Both parties agree that the DISTRICT shall decide if the PROJECT shall be built by the DISTRICT, the APPLICANT or an agent of either party. The DISTRICT may also choose to provide labor or materials as a portion or all of the DISTRICT's financial obligation to the PROJECT. Such decision shall be made by the DISTRICT and shall be made on the basis of the best financial choice for the DISTRICT and its customers. It is further agreed that the PROJECT shall be constructed in accordance with the DISTRICT's current adopted Standard Construction Specifications. Construction consists of relocation of approximately 160 feet of 14" DI and the installation of 750 feet of eight inch ductile iron pipe (Class 350), four valves and two fire hydrants according to the approved plans.
4. The DISTRICT's actual cost for each of fifty (50) lineal feet section ("Unit Price") equals \$2,407.30, based on the attached description work sheet (see Addendum #1). The APPLICANT's final contribution of \$25,924.52 is based on the DISTRICT's actual construction cost of \$36,109.51.
5. The DISTRICT further agrees, for a period of ten (10) years, to refund to the original APPLICANT the Unit Price for each new water service connected to the water main installed per this Agreement. In no instance will the amount of refund(s) to the APPLICANT exceed the DISTRICT's total approved actual amount for the PROJECT. Based on the final cost the maximum amount of refund to the APPLICANT will be \$10,184.99.
6. Before proceeding with construction, the DISTRICT must obtain approval of the Natural Resources and Environmental Protection Cabinet's Division of Water and all other approvals and permits that may be required for the PROJECT. In the event that there is a need to obtain easements or rights-of-way for the PROJECT, the DISTRICT and the APPLICANT will engage in a cooperative effort to acquire the same as needed. The DISTRICT will proceed on all matters that are required prior to constructing the PROJECT to ensure delays are minimized.
7. The DISTRICT shall inspect all of the work for the PROJECT and notify the APPLICANT in writing of any corrections or adjustments that may be needed to insure proper installation of the PROJECT. The APPLICANT agrees to make all requested adjustments or corrections in a timely manner. Upon

acceptance of the PROJECT, the DISTRICT shall notify the APPLICANT in writing that the PROJECT has been accepted and ownership of the PROJECT transferred to the DISTRICT. The APPLICANT also agrees to provide, after PROJECT completion, a letter or affidavit from a licensed engineer verifying that the work completed by the APPLICANT or APPLICANT's agent was satisfactorily installed in accordance with the terms and requirements of this agreement.

8. If within one (1) year of the acceptance date any work performed by the APPLICANT, or the APPLICANT's agent, is found to be defective, the APPLICANT shall promptly and without cost to the DISTRICT correct such defective work to the satisfaction of the DISTRICT. Any work which is repaired or replaced shall also be inspected, accepted and guaranteed as the original work as described in this paragraph. In the event that any guaranteed work is not repaired or adjusted in a reasonable time, the DISTRICT may do so and charge the APPLICANT any costs incurred by the DISTRICT.
9. After completion and acceptance of the PROJECT, metered service connections will be installed for each Connection Charge paid. The Connection Charge shall be based on the size of the tap requested and shall be the current charge in affect at the time of the service request.

10. This agreement will remain in affect for ten (10) years from the date that the PROJECT is installed and accepted by the DISTRICT.

IN TESTIMONY WHEREOF, witness the signatures of the Parties, this 19th day of NOVEMBER 2004.

HARDIN COUNTY WATER DISTRICT No. 1

BY: *James Bruce*
TITLE: GENERAL MANAGER

APPLICANT(s)

BY: *Donald Boston*

BY: _____

STATE OF KENTUCKY:

COUNTY OF HARDIN:

The foregoing instrument was executed, acknowledged, subscribed and sworn before me this 19 day of November

_____, 2004, by Aaron B Pyles

Aaron B Pyles

My commission expires: October 30, 2008

NOTARY PUBLIC

Millpond Business Center WME

Actual 11/04/04

<u>Quantity</u>	<u>Materials</u>	<u>Unit Cost</u>	<u>Total</u>
0	14" x 8" MJ Tee	\$750.00	\$0.00
0	8" MJ Gate Valve	\$465.00	\$0.00
0	Ci Valve Box	\$36.00	\$0.00
0	6" MJ Gate Valve	\$289.50	\$0.00
0	8" MJ 45	\$65.89	\$0.00
0	8" x 6" MJ Tee	\$84.00	\$0.00
0	8" MJ Plug	\$29.99	\$0.00
0	8" Restrainer DI	\$39.55	\$0.00
0	6" Restrainer DI	\$32.00	\$0.00
0	14" Restrainer DI	\$115.00	\$0.00
0	5 1/4", 42" Bury, 3-Way Fire Hydrant	\$965.00	\$0.00
0	6" DI Pipe	\$7.65	\$0.00
0	8" DI Pipe	\$9.89	\$0.00
0	14" DI Pipe	\$29.88	\$0.00
0	24" Concrete Valve Pad	\$12.50	\$0.00
0	3000 psi Concrete	\$62.50	\$0.00
0	DGA (delivered)	\$5.85	\$0.00
0	Line Marker	\$17.00	\$0.00
0	Bact Sample	\$20.00	\$0.00
0	HTH	\$15.00	\$0.00
0	Restoration	\$0.35	\$0.00
0	Contingency (15% of estimated materials)	\$2,519.00	\$0.00
	Subtotal		\$30,858.00

note: unit price per contract wme only

Labor/Equipment

0	Allowed Contractor Labor - Pipeline	\$0.00	\$0.00
0	Allowed Contractor Labor - Bore	\$0.00	\$0.00
1	MSE Engineering (Waterline Only)	\$3,400.00	\$3,400.00
1	Quest Engineering	\$454.02	\$454.02
1	HCWD No.1 Labor (+ Benefits)	\$520.00	\$520.00
80	HCWD No.1 Equipment	\$4.56	\$364.80
1	HCWD No.1 Equipment Rental	\$0.00	\$0.00
80	Liability Insurance	\$6.19	\$495.20
3	Distribution Facility	\$5.83	\$17.49
0	DOW Submittal	\$0.00	\$0.00
	Subtotal		\$5,251.51

\$36,109.51	Total Reimbursable Project Cost
\$1,851.51	Dist. Labor, Materials, Modeling and Equipment
\$48.15	Total Cost / Linear Foot
\$2,407.30	50 Foot Section Cost (Per Tap Reimbursement)
4	Future District Tap Reimbursements
\$10,184.99	Total \$ Reimbursement Possible (includes first 50 foot by District less D45 District contribution)
28.2%	Total % Reimbursement Possible

Contributed Capital

WATER MAIN EXTENSION AGREEMENT

Per Authority of 807 KAR 5:066 Section 12(4)

AGREEMENT #: 01-2005

1. This Agreement is made by and between Hardin County Water District No. 1 ("District") of 1400 Rogersville Road, Radcliff, Kentucky, 40160 and Joe Anderson, Anderson Homes 220 North Dixie Hwy. Radcliff, KY 40160 ("Applicant"). All parties of interest in this agreement are identified by signature hereon.

2. The DISTRICT and APPLICANT(S) hereby set forth certain terms under which the DISTRICT shall, upon execution of this Agreement and receipt of the APPLICANTS share of the estimated cost of the water main extension ("PROJECT"), extend a water main approximately 985 feet. For the purposes of this Agreement this PROJECT shall also be known as the "Ashley Estates", water main extension. The PROJECT beginning and ending points are described as follows:

Beginning at: Begin at the existing 8" water main on Shelton Road.
 Ending at: Ending at a point adjacent to lot number 21 and the end of Seth Court, as noted on original DoW approved water plans dated January 21, 2005.

3. Both parties agree that the DISTRICT shall decide if the PROJECT shall be built by the DISTRICT, the APPLICANT or an agent of either party. The DISTRICT may also choose to provide labor or materials as a portion or all of the DISTRICT's financial obligation to the PROJECT. Such decision shall be made by the DISTRICT and shall be made on the basis of the best financial choice for the DISTRICT and it's customers. It is further agreed that the PROJECT shall be constructed in accordance with the DISTRICT's current adopted Standard Construction Specifications. Construction consists of approximately 985 feet of six inch PVC pipe (DR-14), 5 valve(s), 3 fire hydrants and related fittings as described in the approved plans.

4. The DISTRICT's initial estimated contribution for each of fifty (50) lineal feet section ("Unit Price") equals \$1,533.10, based on the attached description work sheet (see Addendum #1). The APPLICANT's final contribution of \$0.00 is based on the DISTRICT's construction cost total estimated PROJECT cost of \$30,661.99 an estimate made with due diligence to the details of construction requirements for this particular PROJECT. Increases to the Unit Price will be paid only if the APPLICANT has notified the DISTRICT in writing prior to the costs being incurred and the Unit Price will only be increased if agreed to in advance by the DISTRICT.

5. Upon completion of the PROJECT, an actual accounting of the total PROJECT cost will be determined by the DISTRICT and the APPLICANT's required contribution will be adjusted based on the actual approved cost of the PROJECT. The APPLICANT will receive a refund from the DISTRICT should the final PROJECT cost be less than the approved actual amount. If the approved actual amount is more than the estimated APPLICANT's contribution, the APPLICANT agrees to pay the additional amount.

6. The DISTRICT further agrees, for a period of ten (10) years, to refund to the original APPLICANT the Unit Price for each new water service connected to the water main installed per this Agreement. In no instance will the amount of refund(s) to the APPLICANT exceed the DISTRICT's total approved actual amount for the PROJECT. Based on the initial estimate, which may be adjusted after the final project costs are determined, the maximum amount of refund to the APPLICANT would be \$30,661.99.

7. Before proceeding with construction, the DISTRICT must obtain approval of the Natural Resources and Environmental Protection Cabinet's Division of Water and all other approvals and permits that may be required for the PROJECT. In the event that there is a need to obtain easements or rights-of-way for the PROJECT, the DISTRICT and the APPLICANT will engage in a cooperative effort to acquire the same as needed. The DISTRICT will proceed on all matters that are required prior to constructing the PROJECT to ensure delays are minimized.
8. The DISTRICT shall inspect all of the work for the PROJECT and notify the APPLICANT in writing of any corrections or adjustments that may be needed to insure proper installation of the PROJECT. The APPLICANT agrees to make all requested adjustments or corrections in a timely manner. Upon acceptance of the PROJECT, the DISTRICT shall notify the APPLICANT in writing that the PROJECT has been accepted and ownership of the PROJECT transferred to the DISTRICT. The APPLICANT also agrees to provide, after PROJECT completion, a letter or affidavit from a licensed engineer verifying that the work completed by the APPLICANT or APPLICANT's agent was satisfactorily installed in accordance with the terms and requirements of this agreement.
9. If within one (1) year of the acceptance date any work performed by the APPLICANT, or the APPLICANT's agent, is found to be defective, the APPLICANT shall promptly and without cost to the DISTRICT correct such defective work to the satisfaction of the DISTRICT. Any work which is repaired or replaced shall also be inspected, accepted and guaranteed as the original work as described in this paragraph. In the event that any guaranteed work is not repaired or adjusted in a reasonable time, the DISTRICT may do so and charge the APPLICANT any costs incurred by the DISTRICT.
10. After completion and acceptance of the PROJECT, metered service connections will be installed for each Connection Charge paid. The Connection Charge shall be based on the size of the tap requested and shall be the current charge in affect at the time of the service request.
11. This agreement will remain in affect for ten (10) years from the date that the PROJECT is installed and accepted by the DISTRICT.

IN TESTIMONY WHEREOF, witness the signatures of the Parties, this 21st day of FEBRUARY, 2005.

HARDIN COUNTY WATER DISTRICT No. 1

BY: *[Signature]*
TITLE: GENERAL MANAGER

APPLICANT(s)

BY: *Philip Murrell*
BY: *[Signature]*

STATE OF KENTUCKY:

COUNTY OF HARDIN:

The foregoing instrument was executed, acknowledged, subscribed and sworn before me this 21 day of FEBRUARY, 2005, by *DeOnalhea Bostic*
Notary Public

My commission expires: FEB 2009

NOTARY PUBLIC

Notting Hills Sect.II

Estimate 01/25/05

Quantity	Materials	Unit Cost	Total
1020	6" C-900 DR-14 Pipe	\$4.20	\$4,284.00
700	8" C-900 DR-14 Pipe	\$7.36	\$5,152.00
3	8" MJ Gate Valve	\$405.00	\$1,215.00
7	6" MJ Gate Valve	\$266.00	\$1,862.00
10	CI Screw Type Valve Box 36"-42"	\$35.00	\$350.00
3	8" x 6" MJ Tee	\$104.00	\$312.00
2	6" MJ Tee	\$71.00	\$142.00
5	42" Bury 3 Way Fire Hydrant	\$905.00	\$4,525.00
4	6" 45 MJ Bend	\$55.00	\$220.00
1	8" MJ Sleeve	\$69.00	\$69.00
1	8" MJ Cap	\$35.00	\$35.00
15	8" Restrainer C-900 w/assoc.	\$42.00	\$630.00
36	6" Restrainer C-900 w/assoc.	\$35.00	\$1,260.00
1720	#12 Solid Tracer Wire	\$0.00	\$0.00
4	8" x 1" Brass Saddle S90-804	\$33.00	\$132.00
1	8" x 3/4" Brass Saddle S90-803	\$32.00	\$32.00
6	6" x 1" Brass Saddle S90-604	\$23.00	\$138.00
10	1" Corporation F10004Q	\$18.99	\$189.90
1	3/4" Corporation F10003Q	\$13.00	\$13.00
10	1" x 1" x 3/4" Brass Wye Y44-243Q	\$19.00	\$190.00
21	3/4" Curb Stop B44-333Q	\$26.00	\$546.00
600	1" K-Copper	\$2.25	\$1,350.00
40	3/4" K-Copper	\$1.55	\$62.00
11	6" Tee Post	\$0.00	\$0.00
500	2" Sch 40 Pipe	\$0.00	\$0.00
8	3000psi Concrete	\$62.50	\$500.00
2	HTH	\$0.00	\$0.00
6	Bact Sample	\$20.00	\$120.00
150	DGA	\$0.00	\$0.00
0	Restoration	\$0.00	\$0.00
1	10% Contingency	\$0.00	\$0.00

Subtotal \$23,328.90

Labor/Equipment

1	Allowed Contractor Labor - Pipeline	\$17,737.50	\$17,737.50
0	Allowed Contractor Labor - Bore	\$0.00	\$0.00
1	Hawkins Engineering (Waterline Only)	\$2,000.00	\$2,000.00
1	Quest Engineering	\$505.00	\$505.00
40	HCWD No.1 Labor (+ Benefits)	\$19.48	\$779.20
40	HCWD No.1 Equipment	\$5.39	\$215.60
	HCWD No.1 Equipment Rental	\$0.00	\$0.00
40	Liability Insurance	\$6.19	\$247.60
2	Distribution Facility	\$5.83	\$11.66
1	DOW Submittal	\$150.00	\$150.00

Subtotal \$21,646.56

\$44,975.46 Total Reimbursable Project Cost
 \$1,879.06 Developer Estimate Deposit (Dist. Labor, Materials, Modeling)
 \$26.15 Total Cost / Linear Foot
\$1,307.43 50 Foot Section Cost (Per Tap Reimbursement)
 40 Future District Tap Reimbursements

\$53,604.47 Total \$ Reimbursement Possible (includes first 50 foot by District)
 119.2% Total % Reimbursement Possible

note: D59 exceeds total project cost.
 Total reimbursement \$44,975.46
 Contractor labor rate exceeds allowable
 reimbursement rates \$61,402.01
 average last four WME \$10.31per foot

WATER MAIN EXTENSION AGREEMENT
Per Authority of 807 KAR 5:066 Section 12(4)

AGREEMENT #: 03-2005

1. This Agreement is made by and between Hardin County Water District No. 1 ("District") of 1400 Rogersville Road, Radcliff, Kentucky, 40160 and Mr. Dee Downs, Highpoint Construction. ("Applicant"). All parties of interest in this agreement are identified by signature hereon.
2. The DISTRICT and APPLICANT(S) hereby set forth certain terms under which the DISTRICT shall, upon execution of this Agreement and receipt of the APPLICANTS share of the estimated cost of the water main extension ("PROJECT"), extend a water main approximately 1000 feet. For the purposes of this Agreement this PROJECT shall also be known as the "Hunters Ridge Phase II", water main extension. The PROJECT beginning and ending points are described as follows:

Beginning at:

A: Begin at the existing 12" water main line at the intersection of Derbyshire Court and Wagon Wheel Trail for 552'

B: Beginning at the existing 10" water main line at the intersection of Danbrook Court and Wagon Wheel Trail for 430'.

Ending at:

A: Ending at a point lot 20, Hunters Ridge Phase II

B: Ending at Lot 45 Hunters Ridge Phase II

As noted on original DoW approved water plans dated April 5, 2005

3. Both parties agree that the DISTRICT shall decide if the PROJECT shall be built by the DISTRICT, the APPLICANT or an agent of either party. The DISTRICT may also choose to provide labor or materials as a portion or all of the DISTRICT's financial obligation to the PROJECT. Such decision shall be made by the DISTRICT and shall be made on the basis of the best financial choice for the DISTRICT and it's customers. It is further agreed that the PROJECT shall be constructed in accordance with the DISTRICT's current adopted Standard Construction Specifications. Construction consists of approximately 1000 feet of six inch PVC pipe (DR-14) , 5 valve(s), 3 fire hydrants and related fittings as described in the approved plans.
4. The DISTRICT's initial estimated contribution for each of fifty (50) lineal feet section ("Unit Price") equals \$1,495.21, based on the attached description work sheet (see Addendum #1). The APPLICANT's final contribution of \$0.00 is based on the DISTRICT's construction cost total estimated PROJECT cost of \$29,904.14 an estimate made with due diligence to the details of construction requirements for this particular PROJECT. Increases to the Unit Price will be paid only if the APPLICANT has notified the DISTRICT in writing prior to the costs being incurred and the Unit Price will only be increased if agreed to in advance by the DISTRICT.
5. Upon completion of the PROJECT, an actual accounting of the total PROJECT cost will be determined by the DISTRICT and the APPLICANT's required contribution will be adjusted

based on the actual approved cost of the PROJECT. The APPLICANT will receive a refund from the DISTRICT should the final PROJECT cost be less than the approved actual amount. If the approved actual amount is more than the estimated APPLICANT's contribution, the APPLICANT agrees to pay the additional amount.

5. The DISTRICT further agrees, for a period of ten (10) years, to refund to the original APPLICANT the Unit Price for each new water service connected to the water main installed per this Agreement. In no instance will the amount of refund(s) to the APPLICANT exceed the DISTRICT's total approved actual amount for the PROJECT. Based on the initial estimate, which may be adjusted after the final project costs are determined, the maximum amount of refund to the APPLICANT would be \$29,904.14.
7. Before proceeding with construction, the DISTRICT must obtain approval of the Natural Resources and Environmental Protection Cabinet's Division of Water and all other approvals and permits that may be required for the PROJECT. In the event that there is a need to obtain easements or rights-of-way for the PROJECT, the DISTRICT and the APPLICANT will engage in a cooperative effort to acquire the same as needed. The DISTRICT will proceed on all matters that are required prior to constructing the PROJECT to ensure delays are minimized.
8. The DISTRICT shall inspect all of the work for the PROJECT and notify the APPLICANT in writing of any corrections or adjustments that may be needed to insure proper installation of the PROJECT. The APPLICANT agrees to make all requested adjustments or corrections in a timely manner. Upon acceptance of the PROJECT, the DISTRICT shall notify the APPLICANT in writing that the PROJECT has been accepted and ownership of the PROJECT transferred to the DISTRICT. The APPLICANT also agrees to provide, after PROJECT completion, a letter or affidavit from a licensed engineer verifying that the work completed by the APPLICANT or APPLICANT's agent was satisfactorily installed in accordance with the terms and requirements of this agreement.
9. If within one (1) year of the acceptance date any work performed by the APPLICANT, or the APPLICANT's agent, is found to be defective, the APPLICANT shall promptly and without cost to the DISTRICT correct such defective work to the satisfaction of the DISTRICT. Any work which is repaired or replaced shall also be inspected, accepted and guaranteed as the original work as described in this paragraph. In the event that any guaranteed work is not repaired or adjusted in a reasonable time, the DISTRICT may do so and charge the APPLICANT any costs incurred by the DISTRICT.
10. After completion and acceptance of the PROJECT, metered service connections will be installed for each Connection Charge paid. The Connection Charge shall be based on the size of the tap requested and shall be the current charge in affect at the time of the service request.
11. This agreement will remain in affect for ten (10) years from the date that the PROJECT is installed and accepted by the DISTRICT.

IN TESTIMONY WHEREOF, witness the signatures of the Parties, this 20TH day of JULY, 2005.

HARDIN COUNTY WATER DISTRICT No. 1

BY: *James Bluck*

TITLE: GENERAL MANAGER

APPLICANT(s)

BY: *John E. [Signature]* President

BY: _____

STATE OF KENTUCKY:

COUNTY OF HARDIN:

The foregoing instrument was executed, acknowledged, subscribed and sworn before me this 20 day of July, 2005, by Deondrea C. Probst

My commission expires: FEB 2, 09
D Probst

NOTARY PUBLIC

Hunters Ridge Subdivision Phase 2
Estimate 07/09/2005

Quantity	Materials	Unit Cost	Total	Materials Received
1	12" x 6" Fast Tap Tapping Sleeve DI	\$320.60	\$320.60	
1	10" x 6" Fast Tap Tapping Sleeve C-900 DR14	\$287.50	\$287.50	
1	6" x 6" Fast Tap Tapping Sleeve C-900 DR14	\$272.11	\$272.11	
3	6" Tapping Valve	\$358.43	\$1,075.29	
2	6" Gate Valve	\$259.00	\$518.00	
5	Cl Valve Box	\$34.50	\$172.50	
3	42" 3 way Hydrant	\$899.00	\$2,697.00	
18	6" restrainer for C900	\$28.99	\$521.82	
4	6" MJ 45 Bend	\$44.00	\$176.00	
1000	6" C-900 DR14 Pipe	\$4.07	\$4,070.00	
1000	Tracer Wire #12 solid	\$0.08	\$80.00	
6	6" x 1" Saddle S90-604	\$21.00	\$126.00	
9	1" Corp F10004-Q	\$16.99	\$152.91	
9	1" x 3/4" x 3/4" Wye Y44-243Q	\$12.99	\$116.91	
1	6" x 3/4" Saddle S90-603	\$20.99	\$20.99	
1	3/4" Corp F10003Q	\$11.55	\$11.55	
19	3/4" curb stop B84-333Q	\$22.50	\$427.50	
360	2" pvc casing	\$0.59	\$212.40	
500	1" K-Copper	\$1.94	\$970.00	
100	3/4" K-Copper	\$1.47	\$147.00	
6	3000psi concrete	\$62.50	\$375.00	
2	6" Wet Tap (outside Contract)	\$400.00	\$800.00	
4	Bact Sample	\$20.00	\$80.00	
2	HTH	\$11.86	\$23.72	
240	DGA	\$6.25	\$1,500.00	
19	6' Tee Post	\$4.75	\$90.25	
1	Contingency 10%	\$1,524.00	\$1,524.00	

Subtotal \$16,769.05

Received By

Labor/Equipment

1	Labor (Paydirt, LLC)	\$8,630.00	\$8,630.00	
48	Construction Inspector (+ Benefits)	\$19.20	\$921.60	
48	1/2 Ton Pickup	\$4.56	\$218.88	
3	Distribution Facility	\$5.83	\$17.49	
48	Liability Insurance	\$6.19	\$297.12	
1	Water Line Engineering (Hibbs)	\$2,400.00	\$2,400.00	
1	Hydraulic Model (Quest)	\$500.00	\$500.00	
1	DOW Submittal	\$150.00	\$150.00	
	Subtotal		\$13,135.09	

\$29,904.14 Total Project Cost

\$18,724.14 Developer Estimate Deposit (Dist. Labor & Materials)

\$29.90 Cost / Linear Foot

\$1,495.21 50 Foot Section Cost (Per Tap Reimbursment)

\$38,875.38 Future District Tap Reimbursment (25 taps)

130.00% Total Reimbursment Possible

Note

Reimbursment exceeds total project cost

Total reimbursment \$29,904.14

WATER MAIN EXTENSION AGREEMENT

Per Authority of 807 KAR 5:066 Section 12(4)

AGREEMENT #: 04-2005

1. This Agreement is made by and between Hardin County Water District No. 1 ("District") of 1400 Rogersville Road, Radcliff, Kentucky, 40160 and Glenn S. & Sandra G. Turner ("Applicant"). All parties of interest in this agreement are identified by signature hereon.
2. The DISTRICT and APPLICANT(S) hereby set forth certain terms under which the DISTRICT shall, upon execution of this Agreement and receipt of the APPLICANTS share of the estimated cost of the water main extension ("PROJECT"), extend a water main approximately 3200 feet. For the purposes of this Agreement this PROJECT shall also be known as the "Shelton Woods Place", water main extension. The PROJECT beginning and ending points are described as follows:

Beginning at: the existing 8" water main on Shelton Road

Ending at: Lot 39, Shelton Woods Place including Stockton Ct., Kenilworth Ct. and Braxton Ct.

As noted on original DoW approved water plans dated April 5, 2005

3. Both parties agree that the DISTRICT shall decide if the PROJECT shall be built by the DISTRICT, the APPLICANT or an agent of either party. The DISTRICT may also choose to provide labor or materials as a portion or all of the DISTRICT's financial obligation to the PROJECT. Such decision shall be made by the DISTRICT and shall be made on the basis of the best financial choice for the DISTRICT and it's customers. It is further agreed that the PROJECT shall be constructed in accordance with the DISTRICT's current adopted Standard Construction Specifications. Construction consists of approximately 3200 feet of six inch PVC pipe (DR-14), 15 valve(s), 8 fire hydrants and related fittings as described in the approved plans.
4. The DISTRICT's initial estimated contribution for each of fifty (50) lineal feet section ("Unit Price") equals \$1,196.19, based on the attached description work sheet (see Addendum #1). The APPLICANT's final contribution of \$19,139.10 is based on the DISTRICT's construction cost total estimated PROJECT cost of \$76,556.40 an estimate made with due diligence to the details of construction requirements for this particular PROJECT. Increases to the Unit Price will be paid only if the APPLICANT has notified the DISTRICT in writing prior to the costs being incurred and the Unit Price will only be increased if agreed to in advance by the DISTRICT.
5. Upon completion of the PROJECT, an actual accounting of the total PROJECT cost will be determined by the DISTRICT and the APPLICANT's required contribution will be adjusted based on the actual approved cost of the PROJECT. The APPLICANT will receive a refund from the DISTRICT should the final PROJECT cost be less than the approved actual amount. If the approved actual amount is more than the estimated APPLICANT's contribution, the APPLICANT agrees to pay the additional amount.
6. The DISTRICT further agrees, for a period of ten (10) years, to refund to the original APPLICANT the Unit Price for each new water service connected to the water main installed

per this Agreement. In no instance will the amount of refund(s) to the APPLICANT exceed the DISTRICT's total approved actual amount for the PROJECT. Based on the initial estimate, which may be adjusted after the final project costs are determined, the maximum amount of refund to the APPLICANT would be \$57,417.30.

7. Before proceeding with construction, the DISTRICT must obtain approval of the Natural Resources and Environmental Protection Cabinet's Division of Water and all other approvals and permits that may be required for the PROJECT. In the event that there is a need to obtain easements or rights-of-way for the PROJECT, the DISTRICT and the APPLICANT will engage in a cooperative effort to acquire the same as needed. The DISTRICT will proceed on all matters that are required prior to constructing the PROJECT to ensure delays are minimized.
8. The DISTRICT shall inspect all of the work for the PROJECT and notify the APPLICANT in writing of any corrections or adjustments that may be needed to insure proper installation of the PROJECT. The APPLICANT agrees to make all requested adjustments or corrections in a timely manner. Upon acceptance of the PROJECT, the DISTRICT shall notify the APPLICANT in writing that the PROJECT has been accepted and ownership of the PROJECT transferred to the DISTRICT. The APPLICANT also agrees to provide, after PROJECT completion, a letter or affidavit from a licensed engineer verifying that the work completed by the APPLICANT or APPLICANT's agent was satisfactorily installed in accordance with the terms and requirements of this agreement.
9. If within one (1) year of the acceptance date any work performed by the APPLICANT, or the APPLICANT's agent, is found to be defective, the APPLICANT shall promptly and without cost to the DISTRICT correct such defective work to the satisfaction of the DISTRICT. Any work which is repaired or replaced shall also be inspected, accepted and guaranteed as the original work as described in this paragraph. In the event that any guaranteed work is not repaired or adjusted in a reasonable time, the DISTRICT may do so and charge the APPLICANT any costs incurred by the DISTRICT.
10. After completion and acceptance of the PROJECT, metered service connections will be installed for each Connection Charge paid. The Connection Charge shall be based on the size of the tap requested and shall be the current charge in affect at the time of the service request.
11. This agreement will remain in affect for ten (10) years from the date that the PROJECT is installed and accepted by the DISTRICT.

IN TESTIMONY WHEREOF, witness the signatures of the Parties, this 9th day of SEPTEMBER, 2005.

HARDIN COUNTY WATER DISTRICT No. 1

BY: [Signature]
TITLE: GENERAL MANAGER

APPLICANT(s)

BY: [Signature]
BY: Glenn Turner 9/8/05

STATE OF KENTUCKY:

COUNTY OF HARDIN:

The foregoing instrument was executed, acknowledged, subscribed and sworn before me this 9th day of Sept., 2005, by AARON B. LYLES

My commission expires: Oct 30, 2008

[Signature]

NOTARY PUBLIC

Shelton Woods Place
Estimate 07/13/2005

Quantity	Materials	Unit Cost	Total	Actual
1	8" x 6" Fast Tap Tapping Steeve CI	\$259.00	\$259.00	
1	6" Tapping Valve	\$365.00	\$365.00	
3200	6" C-900 DR14 Pipe	\$4.09	\$13,088.00	
3200	#12 Solid Tracer Wire	\$0.08	\$256.00	
20	10" Steel Casing	\$13.99	\$279.80	
2	10" x 6" Casing End Seal	\$59.00	\$118.00	
3	10" x 6" Casing Spacers	\$36.00	\$108.00	
8	42" Bury 3 Way Fire Hydrant	\$911.00	\$7,288.00	
14	6" MJ Gate Valve	\$259.00	\$3,626.00	
7	6" MJ Tee	\$69.00	\$483.00	
5	45 MJ Bend	\$46.22	\$231.10	
15	36"-42" CI Screw Type Valve Box	\$30.00	\$450.00	
68	6" Restrainer Pak	\$27.99	\$1,903.32	
20	6" x 1" Saddle C-900 S90-604	\$21.00	\$420.00	
20	1" Corp F10004Q	\$17.25	\$345.00	
20	1" Curb Stop B44-444Q	\$36.00	\$720.00	
1	6" x 3/4" Saddle S90-603	\$21.50	\$21.50	
1	3/4" Corp F10003Q	\$11.99	\$11.99	
1	3/4" K-Copper (60' Roll)	\$1.49	\$89.40	
6	1" K-Copper (100' Roll)	\$1.95	\$1,170.00	
1	1" K-Copper (60' Roll)	\$1.95	\$117.00	
1900	2" Sch40 Casing	\$60.55	\$1,045.00	
20	3000psi concrete	\$62.50	\$1,250.00	
1	6" Wet Tap (outside Contract)	\$400.00	\$400.00	
8	Bact Sample	\$20.00	\$160.00	
2	HTH	\$11.86	\$23.72	
250	DGA	\$6.75	\$1,687.50	
21	6' Tee Post	\$4.25	\$89.25	
1	Contingency 10%	\$3,626.00	\$3,626.00	
	Subtotal		\$39,631.58	\$32,862.62

Labor/Equipment

1	Labor (\$10.31 per foot installation)	\$32,992.00	\$32,992.00	\$32,992.00
80	Construction Inspector (+ Benefits)	\$19.20	\$1,536.00	\$239.65
80	1/2 Ton Pickup	\$4.56	\$364.80 x	\$182.40 x
4	Distribution Facility	\$5.83	\$23.32 x	\$23.32 x
80	Liability Insurance	\$6.19	\$495.20	\$0.00
1	Water Line Engineering (Turner)	\$600.00	\$600.00	\$600.00
1	Hydraulic Model (Quest)	\$500.00	\$500.00	\$344.96
1	DOW Submittal	\$150.00	\$150.00	\$150.00
	Subtotal		\$36,661.32	\$34,532.33

\$76,292.90	Total Project Cost	\$67,394.95
\$42,550.90	Developer Estimate Deposit (Dist. Labor & Materials)	\$33,652.95
\$23.84	Cost / Linear Foot	\$21.06
\$1,192.08	50 Foot Section Cost (Per Tap Reimbursement)	\$1,053.05
\$57,219.68	Future District Tap Reimbursement (47 taps)	\$50,546.21
\$57,219.68	Total Reimbursement Possible	\$50,597.93
	75.00% Percent Reimbursement	75.00%
\$19,073.22	Developer Contribution	\$16,848.74

\$8,897.95
over payment deposit

Close out to Main

WATER MAIN EXTENSION AGREEMENT

Per Authority of 807 KAR 5:066 Section 12(4)

AGREEMENT #: 05-2005

1. This Agreement is made by and between Hardin County Water District No. 1 ("District") of 1400 Rogersville Road, Radcliff, Kentucky, 40160 and City of Vine Grove ("Applicant") . All parties of interest in this agreement are identified by signature hereon.
2. The DISTRICT and APPLICANT(S) hereby set forth certain terms under which the DISTRICT shall, upon execution of this Agreement and receipt of the APPLICANTS share of the estimated cost of the water main extension ("PROJECT"), extend a water main approximately 3930 feet. For the purposes of this Agreement this PROJECT shall also be known as the "Vine Grove Hwy313", water main extension. The PROJECT beginning and ending points are described as follows:

Beginning at: the existing 6" water main at 2001 Lincoln Trail Blvd.

Ending at: the existing 16" water main at the intersection of Hill St. And Hwy 313
As noted on original DoW approved water plans dated June 10,2004

3. Both parties agree that the DISTRICT shall decide if the PROJECT shall be built by the DISTRICT, the APPLICANT or an agent of either party. The DISTRICT may also choose to provide labor or materials as a portion or all of the DISTRICT's financial obligation to the PROJECT. Such decision shall be made by the DISTRICT and shall be made on the basis of the best financial choice for the DISTRICT and it's customers. It is further agreed that the PROJECT shall be constructed in accordance with the DISTRICT's current adopted Standard Construction Specifications. Construction consists of approximately 3930 feet of 12 inch PVC pipe (DR-14) ,9 valve(s), 3 fire hydrants and related fittings as described in the approved plans.
4. The DISTRICT's initial estimated contribution for each of fifty (50) lineal feet section ("Unit Price") equals \$2,441.25, based on the attached description work sheet (see Addendum #1). The APPLICANT's final contribution of \$177,235.02, is based on the DISTRICT's construction cost total estimated PROJECT cost of \$191,882.02 an estimate made with due diligence to the details of construction requirements for this particular PROJECT. Increases to the Unit Price will be paid only if the APPLICANT has notified the DISTRICT in writing prior to the costs being incurred and the Unit Price will only be increased if agreed to in advance by the DISTRICT.
5. Upon completion of the PROJECT, an actual accounting of the total PROJECT cost will be determined by the DISTRICT and the APPLICANT's required contribution will be adjusted based on the actual approved cost of the PROJECT. The APPLICANT will receive a refund from the DISTRICT should the final PROJECT cost be less than the approved actual amount. If the approved actual amount is more than the estimated APPLICANT's contribution, the APPLICANT agrees to pay the additional amount.
6. The DISTRICT further agrees, for a period of ten (10) years, to refund to the original APPLICANT the Unit Price for each new water service connected to the water main installed

per this Agreement. In no instance will the amount of refund(s) to the APPLICANT exceed the DISTRICT's total approved actual amount for the PROJECT. Based on the initial estimate, which may be adjusted after the final project costs are determined, the maximum amount of refund to the APPLICANT would be \$14,647.48.

7. Before proceeding with construction, the DISTRICT must obtain approval of the Natural Resources and Environmental Protection Cabinet's Division of Water and all other approvals and permits that may be required for the PROJECT. In the event that there is a need to obtain easements or rights-of-way for the PROJECT, the DISTRICT and the APPLICANT will engage in a cooperative effort to acquire the same as needed. The DISTRICT will proceed on all matters that are required prior to constructing the PROJECT to ensure delays are minimized.
8. The DISTRICT shall inspect all of the work for the PROJECT and notify the APPLICANT in writing of any corrections or adjustments that may be needed to insure proper installation of the PROJECT. The APPLICANT agrees to make all requested adjustments or corrections in a timely manner. Upon acceptance of the PROJECT, the DISTRICT shall notify the APPLICANT in writing that the PROJECT has been accepted and ownership of the PROJECT transferred to the DISTRICT. The APPLICANT also agrees to provide, after PROJECT completion, a letter or affidavit from a licensed engineer verifying that the work completed by the APPLICANT or APPLICANT's agent was satisfactorily installed in accordance with the terms and requirements of this agreement.
9. If within one (1) year of the acceptance date any work performed by the APPLICANT, or the APPLICANT's agent, is found to be defective, the APPLICANT shall promptly and without cost to the DISTRICT correct such defective work to the satisfaction of the DISTRICT. Any work which is repaired or replaced shall also be inspected, accepted and guaranteed as the original work as described in this paragraph. In the event that any guaranteed work is not repaired or adjusted in a reasonable time, the DISTRICT may do so and charge the APPLICANT any costs incurred by the DISTRICT.
10. After completion and acceptance of the PROJECT, metered service connections will be installed for each Connection Charge paid. The Connection Charge shall be based on the size of the tap requested and shall be the current charge in affect at the time of the service request.
11. This agreement will remain in affect for ten (10) years from the date that the PROJECT is installed and accepted by the DISTRICT.

IN TESTIMONY WHEREOF, witness the signatures of the Parties, this 4th day of JANUARY, 2008.

HARDIN COUNTY WATER DISTRICT No. 1

BY: *James Bruce*
TITLE: GENERAL MANAGER

APPLICANT(s)

BY: *[Signature]*
BY: _____

STATE OF KENTUCKY:

COUNTY OF HARDIN:

The foregoing instrument was executed, acknowledged, subscribed and sworn before me this 4th day of JANUARY, 2008, by *Arnon B. Hyles*

My commission expires: 10-30-08

NOTARY PUBLIC

Vine Grove_Hwy 313

Actual 2/1/2005

Quantity	Materials	Unit Cost	Total
3930	12" C-900 DR-14 Pipe w/tracer wire	\$23.00	\$90,390.00
1	16" x 16" x 12" Tapping Sleeve & Valve	\$5,000.00	\$5,000.00
3	12" x 6" Tee	\$460.00	\$1,380.00
1	Removal of 90 Bend and Install 6" Tee	\$1,000.00	\$1,000.00
1	12" x 6" Reducer	\$200.00	\$200.00
3	Fire Hydrant and Gate valve Assembly	\$1,800.00	\$5,400.00
5	12" Gate Valve	\$1,200.00	\$6,000.00
1	12" 45 Bend	\$400.00	\$400.00
2	12" 22 1/2 Bend	\$400.00	\$800.00
9	12" 11 1/4 Bend	\$400.00	\$3,600.00
450.09	20" Road Bore w/casing	\$120.00	\$54,010.80
	Subtotal		\$168,180.80

Labor/Equipment

0	Allowed Contractor Labor - Pipeline	\$0.00	\$0.00
0	Allowed Contractor Labor - Bore	\$0.00	\$0.00
1	Hawkins Engineering (Waterline Only)	\$14,833.55	\$14,833.55
1	Hawkins Engineering Inspection	\$9,367.67	\$9,367.67
1	Quest Engineering (hydraulic model)	\$500.00	\$500.00
1	HCWD No.1 Labor (+ Benefits)	\$1,849.11	\$1,849.11
40	HCWD No.1 Equipment	\$5.39	\$215.60
	HCWD No.1 Equipment Rental	\$0.00	\$0.00
40	Liability Insurance	\$6.19	\$247.60
2	Distribution Facility	\$5.83	\$11.66
0	DOW Submittal	\$0.00	\$0.00
	Subtotal		\$26,525.19

\$191,882.02 Total Reimbursable Project Cost (Less District Expense)

\$2,823.97 District Expense(Labor,Benefits,Equipment)

\$48.82 Total Cost / Linear Foot

\$2,441.25 50 Foot Section Cost (Per Tap Reimbursement)

5 Future District Tap Reimbursements

\$14,647.48 Total \$ Reimbursement Possible (includes first 50 foot by District)

7.6% Total % Reimbursement Possible

WATER MAIN EXTENSION AGREEMENT

Per Authority of 807 KAR 5:066 Section 12(4)

AGREEMENT #: 01-2006

1. This Agreement is made by and between Hardin County Water District No. 1 ("District") of 1400 Rogersville Road, Radcliff, Kentucky, 40160 and Mr. Glenn Turner, Turner Engineering. ("Applicant") . All parties of interest in this agreement are identified by signature hereon.
2. The DISTRICT and APPLICANT(S) hereby set forth certain terms under which the DISTRICT shall, upon execution of this Agreement and receipt of the APPLICANTS share of the estimated cost of the water main extension ("PROJECT"), extend a water main approximately 3,160 feet. For the purposes of this Agreement this PROJECT shall also be known as the "Falcon Heights", water main extension. The PROJECT beginning and ending points are described as follows:

Beginning at:

A: The existing fire hydrant located at the end of Red Hawk Drive.

Ending at:

A: The intersection of Hill Street and Peregrine Drive to include North and South Osprey Courts

As noted on original DoW approved water plans dated December 13, 2005

3. Both parties agree that the DISTRICT shall decide if the PROJECT shall be built by the DISTRICT, the APPLICANT or an agent of either party. The DISTRICT may also choose to provide labor or materials as a portion or all of the DISTRICT's financial obligation to the PROJECT. Such decision shall be made by the DISTRICT and shall be made on the basis of the best financial choice for the DISTRICT and it's customers. It is further agreed that the PROJECT shall be constructed in accordance with the DISTRICT's current adopted Standard Construction Specifications. Construction consists of approximately 3,160 feet of six inch PVC pipe (DR-14) , 14 valve(s), 7 fire hydrants and related fittings as described in the approved plans.
4. The DISTRICT's initial estimated contribution for each of fifty (50) lineal feet section ("Unit Price") equals \$1,472.11, based on the attached description work sheet (see Addendum #1). The APPLICANT's final contribution of \$0.00 is based on the DISTRICT's construction cost total estimated PROJECT cost of \$93,037.65 an estimate made with due diligence to the details of construction requirements for this particular PROJECT. Increases to the Unit Price will be paid only if the APPLICANT has notified the DISTRICT in writing prior to the costs being incurred and the Unit Price will only be increased if agreed to in advance by the DISTRICT.
5. Upon completion of the PROJECT, an actual accounting of the total PROJECT cost will be determined by the DISTRICT and the APPLICANT's required contribution will be adjusted based on the actual approved cost of the PROJECT. The APPLICANT will receive a refund from the DISTRICT should the final PROJECT cost be less than the approved actual amount. If the approved actual amount is more than the estimated APPLICANT's contribution, the APPLICANT agrees to pay the additional amount.

6. The DISTRICT further agrees, for a period of ten (10) years, to refund to the original APPLICANT the Unit Price for each new water service connected to the water main installed per this Agreement. In no instance will the amount of refund(s) to the APPLICANT exceed the DISTRICT's total approved actual amount for the PROJECT. Based on the initial estimate, which may be adjusted after the final project costs are determined, the maximum amount of refund to the APPLICANT would be \$93,037.65.
7. Before proceeding with construction, the DISTRICT must obtain approval of the Natural Resources and Environmental Protection Cabinet's Division of Water and all other approvals and permits that may be required for the PROJECT. In the event that there is a need to obtain easements or rights-of-way for the PROJECT, the DISTRICT and the APPLICANT will engage in a cooperative effort to acquire the same as needed. The DISTRICT will proceed on all matters that are required prior to constructing the PROJECT to ensure delays are minimized.
8. The DISTRICT shall inspect all of the work for the PROJECT and notify the APPLICANT in writing of any corrections or adjustments that may be needed to insure proper installation of the PROJECT. The APPLICANT agrees to make all requested adjustments or corrections in a timely manner. Upon acceptance of the PROJECT, the DISTRICT shall notify the APPLICANT in writing that the PROJECT has been accepted and ownership of the PROJECT transferred to the DISTRICT. The APPLICANT also agrees to provide, after PROJECT completion, a letter or affidavit from a licensed engineer verifying that the work completed by the APPLICANT or APPLICANT's agent was satisfactorily installed in accordance with the terms and requirements of this agreement.
9. If within one (1) year of the acceptance date any work performed by the APPLICANT, or the APPLICANT's agent, is found to be defective, the APPLICANT shall promptly and without cost to the DISTRICT correct such defective work to the satisfaction of the DISTRICT. Any work which is repaired or replaced shall also be inspected, accepted and guaranteed as the original work as described in this paragraph. In the event that any guaranteed work is not repaired or adjusted in a reasonable time, the DISTRICT may do so and charge the APPLICANT any costs incurred by the DISTRICT.
10. After completion and acceptance of the PROJECT, metered service connections will be installed for each Connection Charge paid. The Connection Charge shall be based on the size of the tap requested and shall be the current charge in affect at the time of the service request.
11. This agreement will remain in affect for ten (10) years from the date that the PROJECT is installed and accepted by the DISTRICT.

IN TESTIMONY WHEREOF, witness the signatures of the Parties, this 17th day of JANUARY, 2005.

HARDIN COUNTY WATER DISTRICT No. 1

BY: [Signature]
TITLE: GENERAL MANAGER

APPLICANT(s)

BY: [Signature] 1/17/05

BY: _____

STATE OF KENTUCKY:

COUNTY OF HARDIN:

The foregoing instrument was executed, acknowledged, subscribed and sworn before me this 17th day of January, 2005, by [Signature]

My commission expires: Oct. 30, 2008
[Signature]
NOTARY PUBLIC

Falcon Heights Estimate

12/27/2005

<u>Quantity</u>	<u>Materials</u>	<u>Unit Cost</u>	<u>Total</u>
3160	6" C-900 DR-14 Pipe	\$5.99	\$18,928.40
3500	#12 ga Solid Tracer Wire	\$0.11	\$385.00
13	6" MJ Gate Valve	\$255.43	\$3,320.59
7	42" Bury 5 1/4" VO 3 Way Fire Hydrant	\$877.21	\$6,140.47
5	6" MJ Tee	\$62.73	\$313.65
1	6" MJ Cross	\$125.46	\$125.46
1	6" x 6" Fast Tap Tapping Sleeve CI	\$200.78	\$200.78
1	6" Tapping Valve	\$356.69	\$356.69
14	42" CI Valve Box	\$31.50	\$441.00
35	10" Steel Casing	\$16.40	\$574.00
2	10" x 6" Casing End Seal	\$62.00	\$124.00
4	10" x 6" Casing Spacer	\$38.00	\$152.00
1	6" MJ 90 Bend	\$47.15	\$47.15
11	6" MJ 45 Bend	\$41.00	\$451.00
1	6" Restrainer SDR21	\$24.70	\$24.70
74	Restrainer Gland C-900	\$24.70	\$1,827.80
18	6" x 1" Saddle C-900 S90-604	\$18.42	\$331.56
18	1" Corp F10004Q	\$15.76	\$283.68
18	1" x 3/4" x 3/4" WYE Y44-243Q	\$11.76	\$211.68
2	6" x 3/4" Saddle C-900 S90-603	\$18.42	\$36.84
2	3/4" Corp F1000-3Q	\$10.42	\$20.84
38	3/4" Curb Stop B44-333Q	\$20.60	\$782.80
150	3/4" K-copper	\$1.99	\$298.50
1600	1" K-Copper	\$2.60	\$4,160.00
38	6" Steel T post	\$5.00	\$190.00
700	2" Sch 40 Pipe	\$0.70	\$490.00
240	DGA (Ton)	\$6.00	\$1,440.00
12	Flowable Fill (Yard)	\$56.50	\$678.00
10	3000psi Concrete (Yard)	\$62.50	\$625.00
10	Bact Sample	\$20.00	\$200.00
2	HTH	\$20.00	\$40.00
1	10% Contingency	\$4,320.00	\$4,320.00

Subtotal \$47,521.59

Labor/Equipment

1	Allowed Contractor Labor - Pipeline	\$41,269.60	\$41,269.60	\$64,649.40 exceeds reimbursable labor rate for project
0	Allowed Contractor Labor - Bore	\$0.00	\$0.00	\$13.06 per foot 6" C-900
1	Turner Engineering (Waterline Only)	\$1,100.00	\$1,100.00	
1	Quest Engineering	\$500.00	\$500.00	
80	HCWD No.1 Labor (+ Benefits)	\$19.48	\$1,558.40	
80	HCWD No.1 Equipment	\$5.39	\$431.20	
0	HCWD No.1 Equipment Rental	\$0.00	\$0.00	
80	Liability Insurance	\$6.19	\$495.20	
2	Distribution Facility	\$5.83	\$11.66	
1	DOW Submittal	\$150.00	\$150.00	

Subtotal \$45,516.06

\$93,037.65 Total Reimbursable Project Cost
 \$50,518.05 Developer Estimate Deposit (Dist. Labor, Materials, Modeling)
 \$29.44 Total Cost / Linear Foot
 \$1,472.11 50 Foot Section Cost (Per Tap Reimbursement)
 96 Future District Tap Reimbursements
\$142,795.13 Total \$ Reimbursement Possible (includes first 50 foot by District)
 153.5% Total % Reimbursement Possible

Exceeds total project cost total reimbursement possible \$93,037.65

WATER MAIN EXTENSION AGREEMENT

Per Authority of 807 KAR 5:066 Section 12(4)

AGREEMENT #: 02-2006

1. This Agreement is made by and between Hardin County Water District No. 1 ("District") of 1400 Rogersville Road, Radcliff, Kentucky, 40160 and Silver Gate Properties LLC., PO. Box 2046 Elizabethtown KY. 42702. ("Applicant"). All parties of interest in this agreement are identified by signature hereon.

2. The DISTRICT and APPLICANT(S) hereby set forth certain terms under which the DISTRICT shall, upon execution of this Agreement and receipt of the APPLICANTS share of the estimated cost of the water main extension ("PROJECT"), extend a water main approximately 2,620 feet. For the purposes of this Agreement this PROJECT shall also be known as the "Tuscany Place", water main extension. The PROJECT beginning and ending points are described as follows:

Beginning at:
 A: The north west intersection of University Drive and Crocus Drive.

Ending at:
 A: The cul-de-sac of University Drive to include, Naples Court, East and West Tuscany Courts, Dante Court, and Medeci Court
 As noted on original DoW approved water plans dated December 19, 2005

3. Both parties agree that the DISTRICT shall decide if the PROJECT shall be built by the DISTRICT, the APPLICANT or an agent of either party. The DISTRICT may also choose to provide labor or materials as a portion or all of the DISTRICT's financial obligation to the PROJECT. Such decision shall be made by the DISTRICT and shall be made on the basis of the best financial choice for the DISTRICT and it's customers. It is further agreed that the PROJECT shall be constructed in accordance with the DISTRICT's current adopted Standard Construction Specifications. Construction consists of approximately 2,620 feet of six inch PVC pipe (DR-14), 16 valve(s), 4 fire hydrants and related fittings as described in the approved plans.

4. The DISTRICT's initial estimated contribution for each of fifty (50) lineal feet section ("Unit Price") equals \$1,221.35, based on the attached description work sheet (see Addendum #1). The APPLICANT's final contribution of \$27,113.88 is based on the DISTRICT's construction cost total estimated PROJECT cost of \$77,189.06 an estimate made with due diligence to the details of construction requirements for this particular PROJECT. Increases to the Unit Price will be paid only if the APPLICANT has notified the DISTRICT in writing prior to the costs being incurred and the Unit Price will only be increased if agreed to in advance by the DISTRICT.

5. Upon completion of the PROJECT, an actual accounting of the total PROJECT cost will be determined by the DISTRICT and the APPLICANT's required contribution will be adjusted based on the actual approved cost of the PROJECT. The APPLICANT will receive a refund from the DISTRICT should the final PROJECT cost be less than the approved actual amount. If the approved actual amount is more than the estimated APPLICANT's contribution, the APPLICANT agrees to pay the additional amount.

6. The DISTRICT further agrees, for a period of ten (10) years, to refund to the original APPLICANT the Unit Price for each new water service connected to the water main installed per this Agreement. In no instance will the amount of refund(s) to the APPLICANT exceed the DISTRICT's total approved actual amount for the PROJECT. Based on the initial estimate, which may be adjusted after the final project costs are determined, the maximum amount of refund to the APPLICANT would be \$50,075.18.
7. Before proceeding with construction, the DISTRICT must obtain approval of the Natural Resources and Environmental Protection Cabinet's Division of Water and all other approvals and permits that may be required for the PROJECT. In the event that there is a need to obtain easements or rights-of-way for the PROJECT, the DISTRICT and the APPLICANT will engage in a cooperative effort to acquire the same as needed. The DISTRICT will proceed on all matters that are required prior to constructing the PROJECT to ensure delays are minimized.
8. The DISTRICT shall inspect all of the work for the PROJECT and notify the APPLICANT in writing of any corrections or adjustments that may be needed to insure proper installation of the PROJECT. The APPLICANT agrees to make all requested adjustments or corrections in a timely manner. Upon acceptance of the PROJECT, the DISTRICT shall notify the APPLICANT in writing that the PROJECT has been accepted and ownership of the PROJECT transferred to the DISTRICT. The APPLICANT also agrees to provide, after PROJECT completion, a letter or affidavit from a licensed engineer verifying that the work completed by the APPLICANT or APPLICANT's agent was satisfactorily installed in accordance with the terms and requirements of this agreement.

If within one (1) year of the acceptance date any work performed by the APPLICANT, or the APPLICANT's agent, is found to be defective, the APPLICANT shall promptly and without cost to the DISTRICT correct such defective work to the satisfaction of the DISTRICT. Any work which is repaired or replaced shall also be inspected, accepted and guaranteed as the original work as described in this paragraph. In the event that any guaranteed work is not repaired or adjusted in a reasonable time, the DISTRICT may do so and charge the APPLICANT any costs incurred by the DISTRICT.
10. After completion and acceptance of the PROJECT, metered service connections will be installed for each Connection Charge paid. The Connection Charge shall be based on the size of the tap requested and shall be the current charge in affect at the time of the service request.
11. This agreement will remain in affect for ten (10) years from the date that the PROJECT is installed and accepted by the DISTRICT.

IN TESTIMONY WHEREOF, witness the signatures of the Parties, this 25th day of JANUARY, 2005.

HARDIN COUNTY WATER DISTRICT No. 1

BY: James Burr
TITLE: GENERAL MANAGER

APPLICANT(s)

BY: Silver State Properties LLC
BY: Joseph D. Butler, Member

STATE OF KENTUCKY:

COUNTY OF HARDIN:

The foregoing instrument was executed, acknowledged, subscribed and sworn before me this 25th day of JANUARY, 2005, by Aaron B Pyles Aaron B Pyles

My commission expires: October 30, 2008

NOTARY PUBLIC

Tuscany Place Estimate

1/4/2006

<u>Quantity</u>	<u>Materials</u>	<u>Unit Cost</u>	<u>Total</u>
2620	6" C-900 DR-14 Pipe	\$5.99	\$15,693.80
3000	#12 ga Solid Tracer Wire	\$0.11	\$330.00
15	6" MJ Gate Valve	\$255.43	\$3,831.45
4	42" Bury 5 1/4" VO 3 Way Fire Hydrant	\$877.21	\$3,508.84
3	6" MJ Tee	\$62.73	\$188.19
1	6" MJ Cross	\$125.46	\$125.46
1	6" x 6" Fast Tap Tapping Sleeve CI	\$200.78	\$200.78
1	6" Tapping Valve	\$356.69	\$356.69
16	42" CI Valve Box	\$31.50	\$504.00
44	10" Steel Casing	\$16.40	\$721.60
2	10" x 6" Casing End Seal	\$62.00	\$124.00
4	10" x 6" Casing Spacer	\$38.00	\$152.00
2	6" MJ 90 Bend	\$47.15	\$94.30
2	6" MJ 22 1/2 Bend	\$41.82	\$83.64
9	6" MJ 45 Bend	\$41.00	\$369.00
74	Restrainer Gland C-900	\$24.70	\$1,827.80
11	6" x 1" Saddle C-900 S90-604	\$18.42	\$202.62
11	1" Corp F10004Q	\$15.76	\$173.36
11	1" x 3/4" x 3/4" WYE Y44-243Q	\$11.76	\$129.36
5	6" x 3/4" Saddle C-900 S90-603	\$18.42	\$92.10
5	3/4" Corp F1000-3Q	\$10.42	\$52.10
27	3/4" Curb Stop B44-333Q	\$20.60	\$556.20
27	6" Steel T post	\$5.00	\$135.00
550	1" K-Copper	\$2.60	\$1,430.00
300	3/4" K-Copper	\$1.99	\$597.00
420	2" Sch 40 Pipe	\$0.70	\$294.00
510	DGA (Ton)	\$6.00	\$3,060.00
12	Flowable Fill (Yard)	\$56.50	\$678.00
10	3000psi Concrete (Yard)	\$62.50	\$625.00
12	Bact Sample	\$20.00	\$240.00
2	HTH	\$20.00	\$40.00
1	10% Contingency	\$3,641.00	\$3,641.00
	Subtotal		\$40,057.29

Labor/Equipment

1	Allowed Contractor Labor - Pipeline	\$34,227.71	\$34,227.71
0	Allowed Contractor Labor - Bore	\$0.00	\$0.00
1	Turner Engineering (Waterline Only)	\$1,000.00	\$1,000.00
1	Quest Engineering	\$500.00	\$500.00
40	HCWD No.1 Labor (+ Benefits)	\$19.48	\$779.20
40	HCWD No.1 Equipment	\$5.39	\$215.60
0	HCWD No.1 Equipment Rental	\$0.00	\$0.00
40	Liability Insurance	\$6.19	\$247.60
2	Distribution Facility	\$5.83	\$11.66
1	DOW Submittal	\$150.00	\$150.00
	Subtotal		\$37,131.77

\$77,189.06 Total Reimbursable Project Cost

\$41,811.35 Developer Estimate Deposit (Dist. Labor, Materials, Modeling)

\$24.43 Total Cost / Linear Foot

\$1,221.35 50 Foot Section Cost (Per Tap Reimbursement)

40 Future District Tap Reimbursements

\$50,075.18 Total \$ Reimbursement Possible (includes first 50 foot by District)

64.9% Total % Reimbursement Possible

WATER MAIN EXTENSION AGREEMENT

Per Authority of 807 KAR 5:066 Section 12(4)

AGREEMENT #: 03-2006

1. This Agreement is made by and between Hardin County Water District No. 1 ("District") of 1400 Rogersville Road, Radcliff, Kentucky, 40160 and Murrell Construction, Inc. ("Applicant") . All parties of interest in this agreement are identified by signature hereon.

2. The DISTRICT and APPLICANT(S) hereby set forth certain terms under which the DISTRICT shall, upon execution of this Agreement and receipt of the APPLICANTS share of the estimated cost of the water main extension ("PROJECT"), extend a water main approximately 1,113 feet. For the purposes of this Agreement this PROJECT shall also be known as the "Notting Hills Sect III", water main extension. The PROJECT beginning and ending points are described as follows:

Beginning at:

 - A: The existing blow off assembly located at the end of Medical Drive.
 - B: The existing blow off assembly located at the end of Portobello Court

Ending at:

 - A: The blow off assembly located at the end of Medical Drive.
 - B: The fire hydrant located at the end of Portobello Court

As noted on original DoW approved water plans dated January 31, 2006

3. Both parties agree that the DISTRICT shall decide if the PROJECT shall be built by the DISTRICT, the APPLICANT or an agent of either party. The DISTRICT may also choose to provide labor or materials as a portion or all of the DISTRICT's financial obligation to the PROJECT. Such decision shall be made by the DISTRICT and shall be made on the basis of the best financial choice for the DISTRICT and it's customers. It is further agreed that the PROJECT shall be constructed in accordance with the DISTRICT's current adopted Standard Construction Specifications. Construction consists of approximately 610 feet of six inch PVC pipe (DR-14), 503 feet of eight inch PVC pipe (DR-14), 6 valve(s), 3 fire hydrants and related fittings as described in the approved plans.

4. The DISTRICT's initial estimated contribution for each of fifty (50) lineal feet section ("Unit Price") equals \$1,697.54, based on the attached description work sheet (see Addendum #1). The APPLICANT's final contribution of \$0.00 is based on the DISTRICT's construction cost total estimated PROJECT cost of \$37,787.24 an estimate made with due diligence to the details of construction requirements for this particular PROJECT. Increases to the Unit Price will be paid only if the APPLICANT has notified the DISTRICT in writing prior to the costs being incurred and the Unit Price will only be increased if agreed to in advance by the DISTRICT.

5. Upon completion of the PROJECT, an actual accounting of the total PROJECT cost will be determined by the DISTRICT and the APPLICANT's required contribution will be adjusted based on the actual approved cost of the PROJECT. The APPLICANT will receive a refund from the DISTRICT should the final PROJECT cost be less than the approved actual amount. If the approved actual amount is more than the estimated APPLICANT's contribution, the APPLICANT agrees to pay the additional amount.

6. The DISTRICT further agrees, for a period of ten (10) years, to refund to the original APPLICANT the Unit Price for each new water service connected to the water main installed per this Agreement. In no instance will the amount of refund(s) to the APPLICANT exceed the DISTRICT's total approved actual amount for the PROJECT. Based on the initial estimate, which may be adjusted after the final project costs are determined, the maximum amount of refund to the APPLICANT would be \$37,787.24.
7. Before proceeding with construction, the DISTRICT must obtain approval of the Natural Resources and Environmental Protection Cabinet's Division of Water and all other approvals and permits that may be required for the PROJECT. In the event that there is a need to obtain easements or rights-of-way for the PROJECT, the DISTRICT and the APPLICANT will engage in a cooperative effort to acquire the same as needed. The DISTRICT will proceed on all matters that are required prior to constructing the PROJECT to ensure delays are minimized.
8. The DISTRICT shall inspect all of the work for the PROJECT and notify the APPLICANT in writing of any corrections or adjustments that may be needed to insure proper installation of the PROJECT. The APPLICANT agrees to make all requested adjustments or corrections in a timely manner. Upon acceptance of the PROJECT, the DISTRICT shall notify the APPLICANT in writing that the PROJECT has been accepted and ownership of the PROJECT transferred to the DISTRICT. The APPLICANT also agrees to provide, after PROJECT completion, a letter or affidavit from a licensed engineer verifying that the work completed by the APPLICANT or APPLICANT's agent was satisfactorily installed in accordance with the terms and requirements of this agreement.
9. If within one (1) year of the acceptance date any work performed by the APPLICANT, or the APPLICANT's agent, is found to be defective, the APPLICANT shall promptly and without cost to the DISTRICT correct such defective work to the satisfaction of the DISTRICT. Any work which is repaired or replaced shall also be inspected, accepted and guaranteed as the original work as described in this paragraph. In the event that any guaranteed work is not repaired or adjusted in a reasonable time, the DISTRICT may do so and charge the APPLICANT any costs incurred by the DISTRICT.
10. After completion and acceptance of the PROJECT, metered service connections will be installed for each Connection Charge paid. The Connection Charge shall be based on the size of the tap requested and shall be the current charge in affect at the time of the service request.
11. This agreement will remain in affect for ten (10) years from the date that the PROJECT is installed and accepted by the DISTRICT.

IN TESTIMONY WHEREOF, witness the signatures of the Parties, this 27th day of 2006, 2006.

HARDIN COUNTY WATER DISTRICT No. 1

BY: *James B. [Signature]*
TITLE: GENERAL MANAGER

APPLICANT(s)

BY: *[Signature]*
BY: _____

STATE OF KENTUCKY:

COUNTY OF HARDIN:

The foregoing instrument was executed, acknowledged, subscribed and sworn before me this _____ day of 27th Feb., 2006, by Aaron B. Fyles

My commission expires: Oct. 30, 2008
Aaron B. Fyles
NOTARY PUBLIC

Notting Hills Sect III Estimate
2/6/2006

Quantity	Materials	Unit Cost	Total
620	6" C-900 DR-14 Pipe	\$5.65	\$3,503.00
520	8" C-900 DR-14 Pipe	\$9.00	\$4,680.00
1500	#12 ga Solid Tracer Wire	\$0.11	\$165.00
4	6" MJ Gate Valve	\$255.43	\$1,021.72
2	8" MJ Gate Valve	\$406.81	\$813.62
3	42" Bury 51/4" VO 3 Way Fire Hydrant	\$877.21	\$2,631.63
1	6" MJ Anchor Tee	\$101.68	\$101.68
1	8" x 6" MJ Anchor Tee	\$126.69	\$126.69
6	42" CI Valve Box	\$31.50	\$189.00
6	6" MJ 11 1/4 Bend	\$41.41	\$248.46
6	6" MJ 22 1/2 Bend	\$41.82	\$250.92
1	6" MJ 45 Bend	\$41.00	\$41.00
37	6" Restrainer Gland C-900	\$24.70	\$913.90
11	8" Restrainer Gland C-900	\$33.96	\$373.56
1	8" MJ 45 Bend	\$63.55	\$63.55
1	6" x 3/4" Saddle C-900 S90-603	\$18.42	\$18.42
1	3/4" Corp F10003Q	\$10.42	\$10.42
5	6" x 1" Saddle C-900 S90-604	\$18.42	\$92.10
3	8" x 1" Saddle C-900 S90-804	\$25.79	\$77.37
8	1" Corp F10004Q	\$15.76	\$126.08
8	1" x 3/4" x 3/4" WYE Y44-243Q	\$11.76	\$94.08
17	3/4" Curb Stop B44-333Q	\$20.60	\$350.20
17	6" Steel T post	\$5.00	\$85.00
300	1" K-Copper	\$2.59	\$777.00
100	3/4" K-Copper	\$1.99	\$199.00
240	2" Sch 40 Pipe	\$0.70	\$168.00
75	DGA (Ton)	\$6.00	\$450.00
0	Flowable Fill (Yard)	\$56.50	\$0.00
4	3000psi Concrete (Yard)	\$62.50	\$250.00
8	Bact Sample	\$20.00	\$160.00
1	HTH	\$20.00	\$20.00
1	10% Contingency	\$1,796.00	\$1,796.00

Subtotal \$19,797.40

Labor/Equipment

1	Allowed Contractor Labor - Pipeline	\$14,535.78	\$14,535.78	\$23,000.00 exceeds reimbursable labor rate for project (\$20.66 per foot) of \$13.06 per foot
0	Allowed Contractor Labor - Bore	\$0.00	\$0.00	
1	Hawkins Engineering (Waterline Only)	\$1,550.00	\$1,550.00	
1	Quest Engineering	\$500.00	\$500.00	
40	HCWD No.1 Labor (+ Benefits)	\$19.48	\$779.20	
40	HCWD No.1 Equipment	\$5.39	\$215.60	
0	HCWD No.1 Equipment Rental	\$0.00	\$0.00	
40	Liability Insurance	\$6.19	\$247.60	
2	Distribution Facility	\$5.83	\$11.66	
1	DOW Submittal	\$150.00	\$150.00	

Subtotal \$17,989.84

\$37,787.24 Total Reimbursable Project Cost
 \$21,551.46 Developer Estimate Deposit (Dist. Labor, Materials, Modeling)
 \$33.95 Total Cost / Linear Foot
 \$1,697.54 50 Foot Section Cost (Per Tap Reimbursement)
 31 Future District Tap Reimbursements

\$54,321.28 Total \$ Reimbursement Possible (includes first 50 foot by District)
 143.8% Total % Reimbursement Possible

Exceeds total project cost, total reimbursement possible \$37,787.24

INTRA-AGENCY MEMORANDUM
KENTUCKY PUBLIC SERVICE COMMISSION

TO: Case File No. 2005-000021

FROM: Jess Thompson *JT*
Financial Analyst

Gerald Wuetcher *GW*
Assistant General Counsel

DATE: February 2, 2006

RE: Conference of January 20, 2006

On January 20, 2006, Commission Staff held a conference in this case in the Commission's offices in Frankfort, Kentucky. Present were:

Janet Bryant	-	South Anderson Water District
Sharm Cook	-	South Anderson Water District
Ray Edelman	-	South Anderson Water District
George Kinne	-	South Anderson Water District
Brenda Robbins	-	South Anderson Water District
Ken Taylor	-	Kenvirons, Inc.
Linda Maddox	-	Commission Staff
Scott Lawless	-	Commission Staff
Virginia Smith	-	Commission Staff
Jess Thompson	-	Commission Staff
Gerald Wuetcher	-	Commission Staff

At the request of South Anderson Water District, Commission Staff scheduled a conference to discuss the issues that its application presents.

Beginning the conference, Mr. Wuetcher stated that Commission Staff would prepare minutes of the conference for the case record, that a copy of these minutes would be provided to all parties, and that all parties would be given an opportunity to submit written comments upon those minutes.

Mr. Edelman requested an opinion on the likelihood of the Commission approving South Anderson Water District's proposed tariff revisions. He stated that, while the information that Commission Staff requested in its First Information Request was relevant, South Anderson Water District did not wish to incur the cost of gathering this information if the likelihood of a favorable decision was low.

Case File No. 2005-00221

Page 2

February 2, 2006

Mr. Wuetcher responded that Commission Staff could not provide such an opinion. Noting that the Commission had previously granted a deviation from Administrative Regulation 807 KAR 5:066, Section 13, in Case No. 1997-00468,¹ he stated that the Commission has no policy excluding deviations to the regulation. The Commission's response is fact specific. Mr. Wuetcher noted that the utility that is seeking the deviation bears the burden of demonstrating that good cause exists for a deviation. "Good cause" requires an examination of the applicant utility's circumstances. For that reason, Mr. Wuetcher noted, Commission Staff had issued its request for information to South Anderson Water District.

Mr. Wuetcher noted that one basis for a deviation is rapid growth of subdivision developments in a water utility's service territory. He explained that with such rapid growth, a water utility may not have the ability to meet its financial obligations under Administrative Regulation 807 KAR 5:066, Section 13, and still provide quality service. He noted that some utility representatives have argued that, under rapid growth conditions, a water utility could lose control of its finances as it attempted to comply with the regulation's refund provisions. The purpose of Commission Staff's Second Request for Information was to ascertain if such condition existed in the case of South Anderson Water District.

South Anderson Water District's representatives stated that the water district is experiencing such growth. There are currently 7 to 8 subdivision real estate developments under construction. The water district is currently refunding approximately \$9,000 to \$10,000 monthly to subdivision developers as residences are being connected to the water district's distribution system.

Commission Staff noted that any revisions in South Anderson Water District's current extension policy would be prospective only. Existing subdivisions developments would not likely be affected.

Commission Staff suggested that South Anderson Water District consider amending its tariff to delay refunds to subdivision developers. Staff members noted that the regulation is silent on the timing for refunds to developers. They suggested that the water utility make refunds to developers over a 10- or 20-year period rather than immediately upon a housing unit's connection to the water district's distribution system. They drew an analogy to payments on long-term bonds that allow a water district to finance and construct significant water system improvements immediately and then pay for those improvements over a 20- or 40-year period.

South Anderson Water District's representatives stated that they would consider Commission Staff's suggestions and would respond to the Commission Staff's Second Request for Information. The conference then adjourned.

¹ Case No. 1997-00468, Proposed Revisions to the Mainline Extension Policy of Northern Kentucky Water Service District (Ky.PSC Sep. 4, 1998)

HARDIN COUNTY WATER DISTRICT NO. 1

Date: April 5, 1995

Policy for Water Main Extension of Service to Individual Applicants or Groups of Individual Applicants

The District shall determine the total cost of the proposed water main extension (exclusive of the meter connections) and the total length of the extension. The District shall pay that portion of the cost of the water main extension equal to 50 feet for each applicant for service. That part of the cost not covered by the District's portion shall be contributed equally by those applicants desiring service on the main extension. That contribution must be deposited with the utility prior to awarding any contracts required for the construction by the District. Each applicant will also be required to pay the approved "Tap-on fee" for a meter connection to the main extension.

For a period of (10) years after the original construction of the main extension each additional customer directly connected to each particular extension will be required to contribute to the cost of that water main extension based on a recomputation of both the District's portion of the total cost and each customer's contribution as set out above. The District will 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. In addition, each customer must pay the approved "Tap-on fee" applicable at the time of their application for the meter connection. The "Tap-on fee" is not part of the refundable cost of the extension and may be changed during the refund period. After the ten (10) year refund period expires, any additional customer applying for service on each main extension will be connected for the amount of the approved "Tap-on fee" only.

In no case, shall the amount refunded exceed the amount of the original contract.

Hardin County Water District No. 1

Serving Radcliff and Hardin County for Over 40 Years

1400 Rogersville Road
Radcliff, KY. 40160

HCWD#1 Water Main Extension Policy

(As approved by Public Service Commission and HCWD#1 Commission)

1. Developer contacts District about availability of water and size and location of main that must be extended
2. The District and Developer will work together to complete an estimate of the total project cost.
3. If project total is over \$2,000, developer must have plans prepared by Professional Engineer and submit to Division of Water for approval. Per Division of Water plan review requirements, Technical Memorandum PRM 2001-1, June 22, 2001, the District's engineer must complete a simulated computer modeling analysis of the proposed project which results must be submitted with the plans to the Division of Water. A fee of \$150 will be paid to the DOW by the developer.
4. After approval, the Developer and District will enter into a Water Main Extension Agreement.
5. Depending on the terms of the agreement, the Developer would give the District a deposit for the materials, estimated District labor and previous District engineering costs. (In some cases, the District might install the main in which case the Developer would pay a total deposit up front for materials and District labor, or, some other bond or assurance of payment)
6. After installation and inspection of the new lines, the District would then accept the mains. After one year, maintenance, repair and replacement of the main would become the responsibility of the District.
7. Upon accounting of the actual project cost, the District would either send the Developer a refund, or require an additional payment to adjust the estimate to actual costs.
8. For a period of ten years, the District will refund to the Developer the agreed 50 foot equivalent cost of the project, after additional water taps are sold off the extended main.

(Rev. August, 2001)

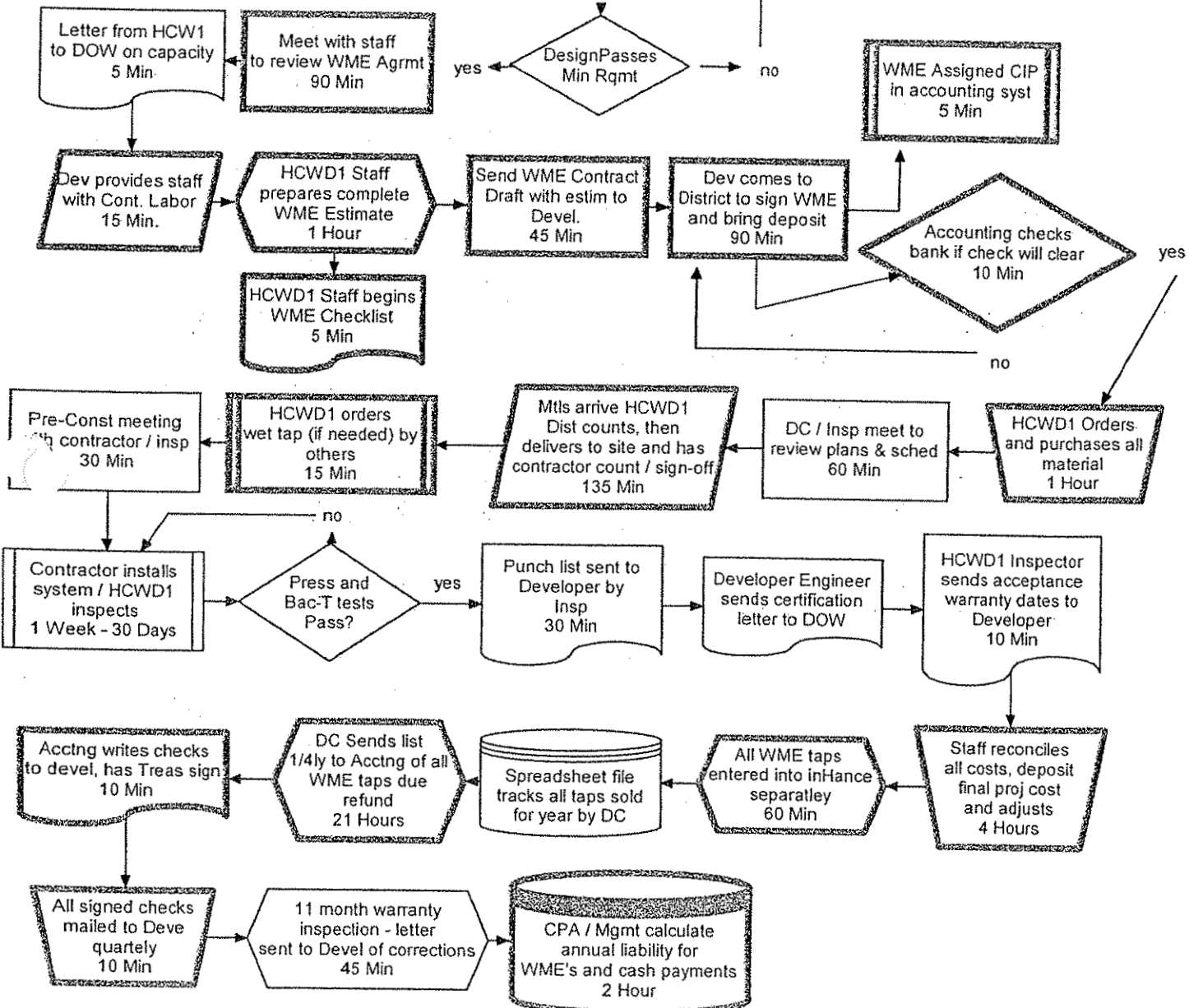
Phone 1-270-351-3222

FAX: 1-270-352-3055

Developer Contacts HCWD1 about new project, capacity & availability 20 Min.

Hardin County
Water District No. 1

Water Main Ext, Reimbursement
Process - Current



Annual Staff Time on 8 Developments
All Main Extension = 330 Hours
Only WME Projects = 280 Hours / 85%

Hardin County Water District No. 1

1996 - 2006 WATER MAIN EXTENSIONS REFUNDS

YEAR	NAME	PROJ COST	REIMBURSED	BALANCE	# TAPS	LENGTH PIPE	REIMB %	REFUND \$ PER TAP
1996	SQUAW VALLEY	\$14,202	\$2,000	\$12,203	10	1,040	52.9%	\$683
1996	RAINBOW VILLAGE - SECT. 3	\$18,803	\$685	\$18,119	22	1,240	92.7%	\$758
1999	LEX-A-VILLA (NORTH)	\$10,235	\$6,245	\$3,990	1	900	11.1%	\$569
2001	MEREDITH ROAD	\$15,499	\$3,185	\$12,314	1	1,460	6.8%	\$531
2002	NIGHT HAWK	\$8,091	\$749	\$7,342	2	540	27.8%	\$749
2001	TRAPPER'S RIDGE	\$48,107	\$1,327	\$46,780	42	3,420	62.9%	\$703
2001	WHISPERING HILLS - SECT. 16	\$22,336	\$1,638	\$20,698	17	840	100.0%	\$1,330
2002	NOTTING HILL - PHASE 1	\$182,100	\$8,914	\$175,186	36	5,560	33.3%	\$1,638
2003	MEADOWLAKE - SECT. 10	\$16,016	\$2,962	\$13,054	16	1,040	81.7%	\$770
2003	ROLLING HILLS - SECT. 7	\$20,089	\$4,883	\$15,206	10	1,300	42.3%	\$773
2004	GLORYLAND HARVEST	\$43,663	\$18,397	\$25,266	16	1,780	47.8%	\$1,226
2004	MEADOWLAKE - SECT. 12	\$51,025	\$20,886	\$30,139	35	2,460	73.2%	\$1,037
2004	PADGETT VIEW (FARM)	\$44,398	\$14,188	\$30,210	23	3,780	31.7%	\$587
2004	MILL POND	\$36,110	\$10,185	\$25,925	4	780	32.1%	\$2,315
2005	ASHLEY ESTATES	\$30,662	\$17,331	\$13,331	22	1,000	100.0%	\$1,533
2005	NOTTING HILL - SECT. II	\$44,975	\$0	\$44,975	41	1,720	100.0%	\$1,307
2005	HUNTER'S RIDGE II	\$29,904	\$18,724	\$11,180	25	1,000	100.0%	\$1,495
2005	SHELTON WOODS	\$76,293	\$42,814	\$33,478	47	3,200	75.0%	\$1,192
2005	VINE GROVE - HWY 313	\$191,882	\$9,765	\$182,117	5	3,930	7.6%	\$2,441
2006	FALCON HEIGHTS	\$93,038	\$50,518	\$42,520	96	3,160	100.0%	\$1,472
2006	TUSCANY PLACE	\$77,189	\$41,811	\$35,378	41	2,620	100.0%	\$1,473
2006	NOTTING HILL - SECT. 111	\$37,787	\$21,551	\$16,236	31	1,113	100.0%	\$1,698
2006	MARCH - DEC (ESTIM)	\$1,182,355	\$0	\$1,182,355	750	1,113	100.0%	\$1,576

22

\$2,294,759	\$296,759	\$1,998,000	1293	44,996	68.0%	\$1,576
			59	2,045		

SUMMARY - 1996 - 2006

YEAR	ALL PROJS	\$ REIMB	\$ LIAB	\$ PER TAP
1996	\$33,006	\$2,684	\$202,873	\$720.50
1997	\$0	\$0	\$135,211	\$720.50
1998	\$0	\$0	\$121,027	\$720.50
1999	\$10,235	\$6,245	\$105,696	\$669.87
2000	\$0	\$0	\$97,546	\$669.87
2001	\$85,942	\$6,150	\$118,297	\$762.21
2002	\$190,191	\$7,664	\$192,934	\$870.00
2003	\$36,104	\$7,845	\$166,662	\$850.26
2004	\$175,195	\$63,657	\$144,595	\$976.30
2005	\$373,717	\$88,634	\$294,082	\$1,138.80
2006	\$1,390,369	\$409,470	\$1,388,212	\$1,211.15

Hardin County Water District No 1
RESOLUTION NO: 01-2006

DRAFT

A RESOLUTION OF THE HARDIN COUNTY WATER DISTRICT No 1, BOARD OF COMMISSIONERS, PERTAINING TO THE DISCONTINUANCE OF PROVIDING REFUNDS TO PRIVATE DEVELOPERS ~~WHICH HAVE BEEN ABLE TO RECEIVE PAYMENT FROM OTHER DISTRICT CUSTOMERS~~ FOR THE REIMBURSEMENT OF A PORTION OR ALL OF THEIR WATER SYSTEM DEVELOPMENT COSTS, IN ORDER THAT THE DISTRICT CAN AVOID RAISING CUSTOMER WATER RATES, OR EXPENDING A SIGNIFICANT AMOUNT OF ITS CASH RESERVES INTENDED FOR FUTURE REPAIR OR REPLACEMENT OF EXISTING PLANT AND EQUIPMENT, OR HAVING TO BORROW FUNDS TO REIMBURSE DEVELOPERS;

WHEREAS; The Kentucky Public Service Commission ("^{DISTRICTS}PSC") Regulations 807 KAR 5:066, Section 11, since 1959, has required that water ~~districts~~ provide a method of reimbursement to developers or persons paying for a water main extension ("WME"), equivalent to the first fifty (50) foot section of the project, and another equivalent fifty (50) foot section for each future water tap sold on that main, for up to ten (10) years, which may equal up to one hundred percent (100%) the project costs, and;

WHEREAS; In November, 2000, the PSC initiated an investigation (PSC Case No 386) of the above regulation and the practice of WME reimbursements which was concluded in August, 2002 and which found that the extensive revision or elimination of this regulation would be in the public's best interest and also agreed that this reimbursement practice seriously encumbers a water utility's ability to manage its finances rather than focusing on building and upgrading its infrastructure, and;

WHEREAS; The PSC ^{DISTRICTS}ordered that the regulation be modified or amended to address the problems of water ~~districts~~ ^{DISTRICTS}not having the ability to afford reimbursements, and the inequity of other customers subsidizing growth of private development,

NOW THEREFORE; The Board of Commissioners takes and orders the following actions;

1. Immediate suspension and termination of any future WME Agreement requests ^{AND ITS CUSTOMERS} ~~which would require the District and its customers~~ to provide refunds to developers ^{OTHERS} ~~on those~~ installing new water main extensions.
2. To amend the District's tariff to incorporate this change.
3. To honor all existing, fully executed, WME Agreements.

Signed this Twentieth day of March 14, 2006;

By: _____
Mr. William Rissel, Chairman

Mr. John Tindall, Secretary

Mr. Les Powers, Commissioner

N. MURPHY

Mr. William Gossett, Treasurer

Mr. Ron Hockman, Commissioner

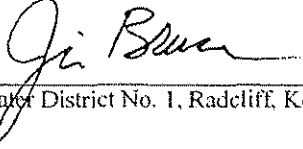
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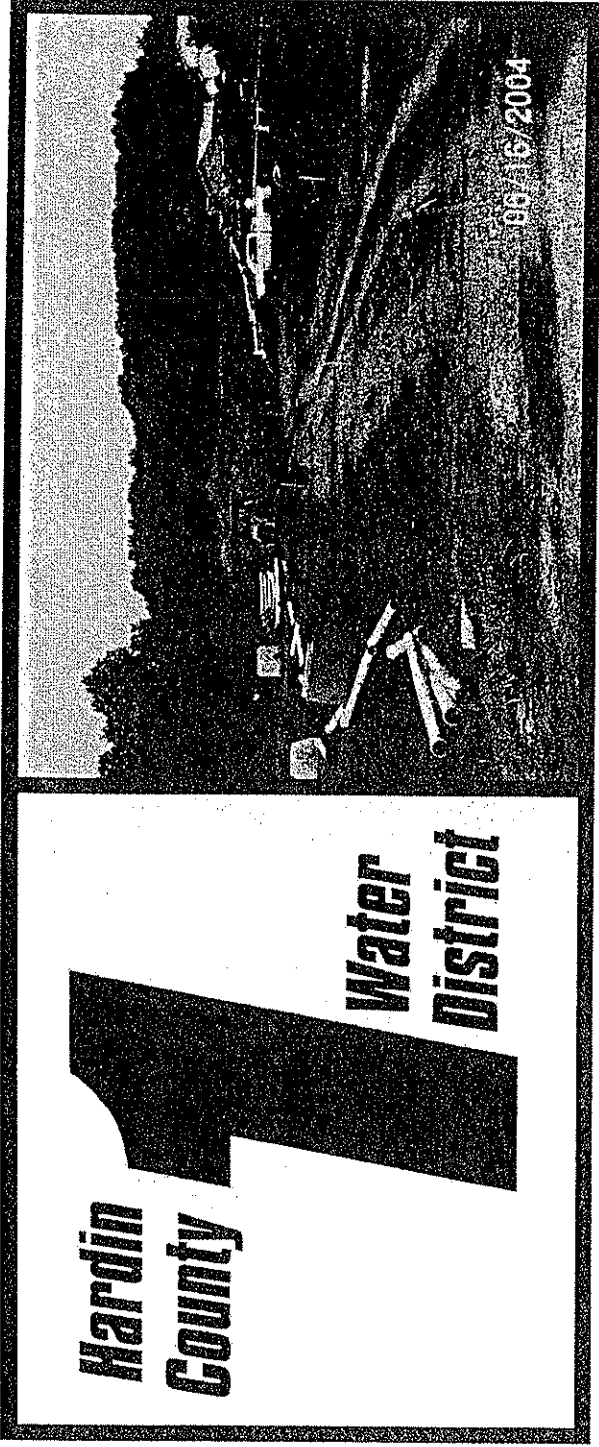
DRAFTHardin County Water District No. 1

RULES AND POLICIES

1. **Revocation of Water Main Extension Reimbursement Policy:** In accordance with the Board of Commissioners adoption of Resolution 01-2006 on March 14, 2006, Hardin County Water District No. 1 no longer provides a policy or practice of refunding a portion or all of a developer's costs for water main development projects, which this change also constitutes a deviation from 807 KAR 5:066, Section 11, as allowed under 807 KAR 5:066, Section 18. This revocation is effective upon the approval and passing of the above mentioned resolution.

DATE OF ISSUE March 15, 2006

ISSUED BY:  Mr. Jim Bruce, General Manager
Hardin County Water District No. 1, Radcliff, Kentucky



Water Main Extension Reimbursement Policy [“WME”]

HCWD1 Water Main Extension
Reimbursement

Current PSC Regulation

For Main Extension Reimbursements

807 KAR 5:066, Section 11

" ... (2.a) When an extension of the utility's main to serve an applicant or group of applicants amounts to more than fifty (50) feet per applicant, the utility may, if not inconsistent with its filed tariff, require the total cost of the excessive footage over 50 feet per customer to be deposited with the applicants or applicants, based on the average estimate cost of the total extension.

(2.b) Each customer who paid for service under such extension shall be reimbursed.... "

HCWD1 Water Main Extension
Reimbursement

PSC Administrative Case No. 386

August 15, 2002 – Regarding an Examination
Of Existing Water Distribution Main Extension Policies

"...The Commission finds that extensive revision to this provision, if not elimination, is in the public interest. We agree that, in areas of rapid real estate development, the current regulation seriously encumbers a water utility's ability to manage its finances. Rather than focusing on building and upgrading its infrastructure in accordance with its long term plans, these utilities must devote funds to refunding extensions over which they have limited control over planning and constructing.

We also note that the current regulation's provisions appear overly generous when compared to those of other states...."

HCWD1 Water Main Extension
Reimbursement

PSC Intra-agency Memorandum

February 2, 2006

RE; South Anderson Water District – Case No. 2005-00221

22 *"...Mr. Wuetcher (* Senior PSC Counsel) noted that one basis for a deviation is rapid growth of subdivision developments in a water utility service territory. He explained that with such rapid growth, a water utility may not have the ability to meet its financial obligations under Administrative Regulation 807 KAR 5:066, Section 13, (* SB Section 11), and still provide quality service..."*

HCWD1 Water Main Extension
Reimbursement

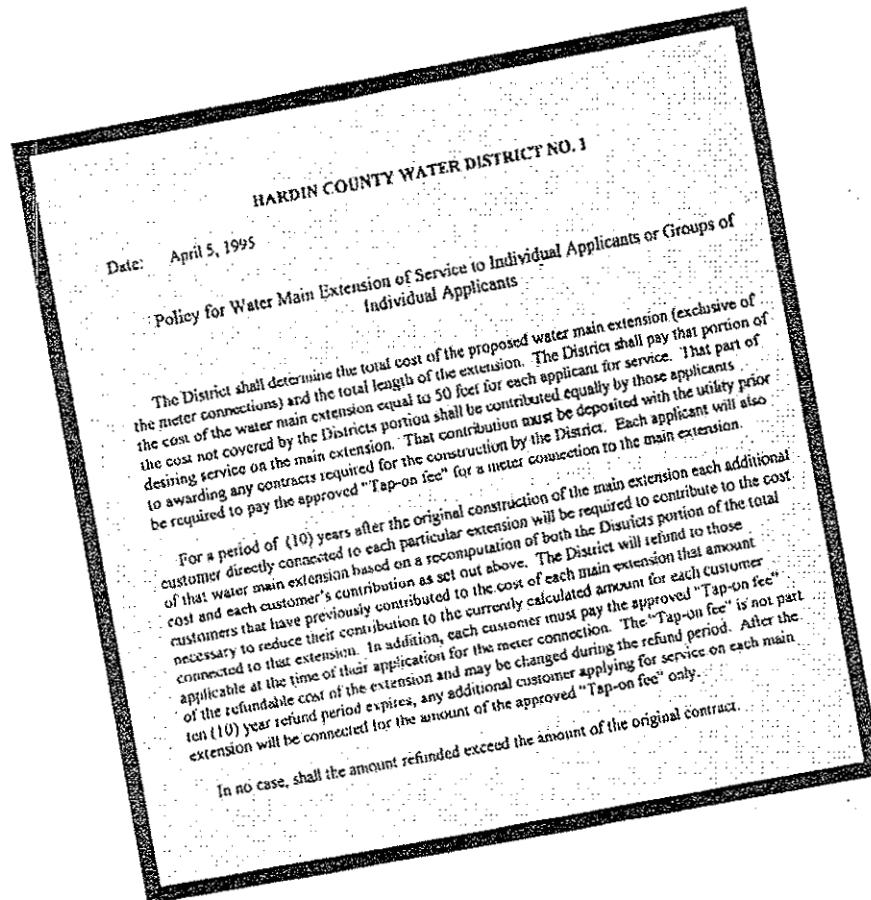
HCWD No. 1 Current Policy

For Main Extension Reimbursements

(Last Revised November 1, 1993)

April 5, 1995

(No record of Board vote, nor is it in current tariff)



"..The District shall pay that portion of the cost of the water main extension equal to 50 feet for each applicant for service. That part of the cost not covered by the District's portion shall be contributed equally by those applicants desiring service on the main extension..."

HCWD1 Water Main Extension
Reimbursement

Surrounding Utility Reimbursement Policies

Provider	Utility	Reimbursement ?
Hardin County Water District No. 2	Water	* No
	Water	No
Meade County Water District	Water	Yes (Only = Tap Fee Amt)
	Sewer	
	Gas	
City of Radcliff	Sewer	No
	Streets	No
	Storm Water	No
City of Vine Grove	Water	No
	Sewer	No
	Streets	No

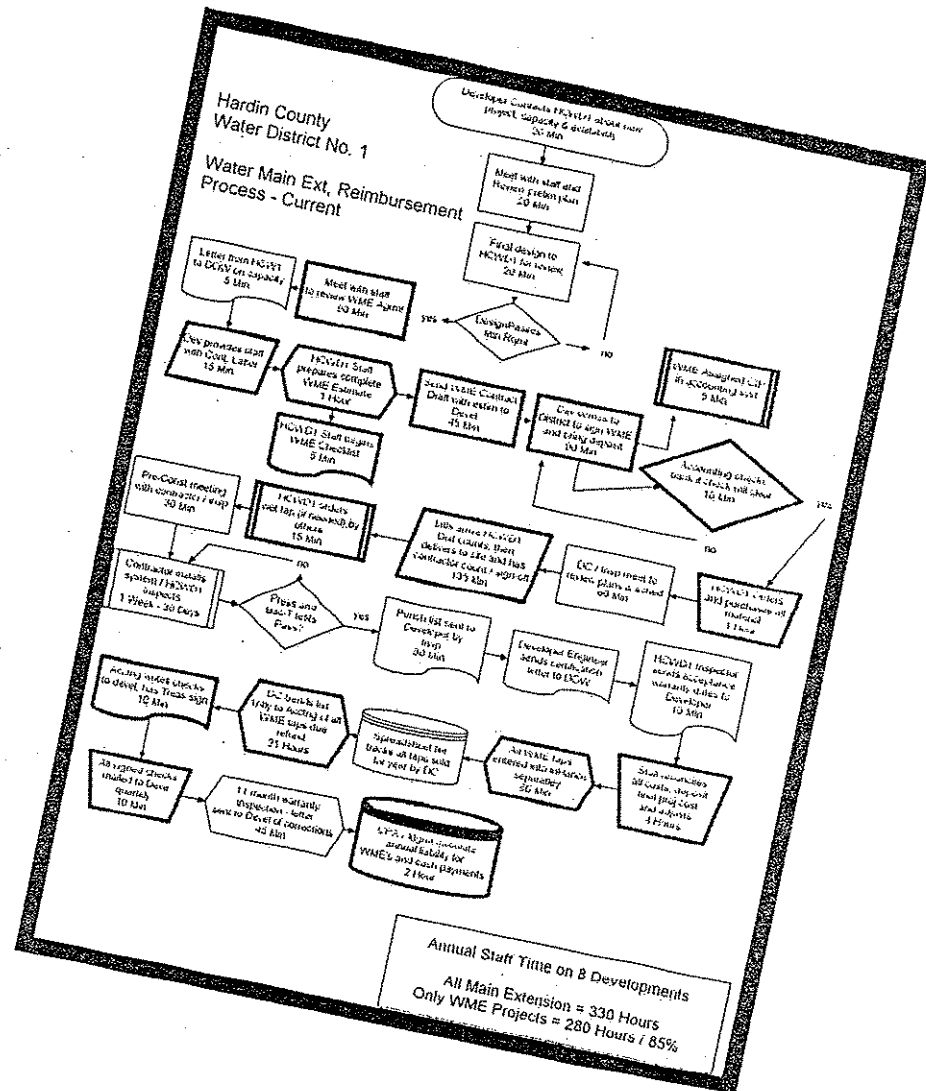
* HCWD2 Informal, unofficial position

HCWD1 Water Main Extension
Reimbursement

Amount of Staff Time Required for WME Contracts

For 8 Developments annually, it requires 280 hours of staff time for WME projects.

If WME's were not required, our staff time to work with developers and oversee new main extensions *would drop by 85%*



HCWD1 Water Main Extension Reimbursement

Source of Funds to Pay Reimbursements

5/8 Inch Tap Fee

\$659

\$285 – Materials for Tap
\$191 – HCWD1 Labor
\$131 – HCWD1 Equipment
\$52 – Other Costs

NONE...

of the Tap Fee Provides funds for WME
Reimbursements

HCWD1 Water Main Extension
Reimbursement

Source of Funds to Pay Reimbursements

Typical Monthly 5/8
Water Bill

\$24.20



\$8.18	–	Wages, Bens, Comm
\$5.71	–	Debt P + i
\$4.05	–	Fixed Charges
\$1.59	–	Net Income
\$1.41	–	Utilities / Transport
\$1.35	–	Contract + Prof Svcs
\$1.19	–	Other Operating
\$0.71	–	Supplies

NONE!!!

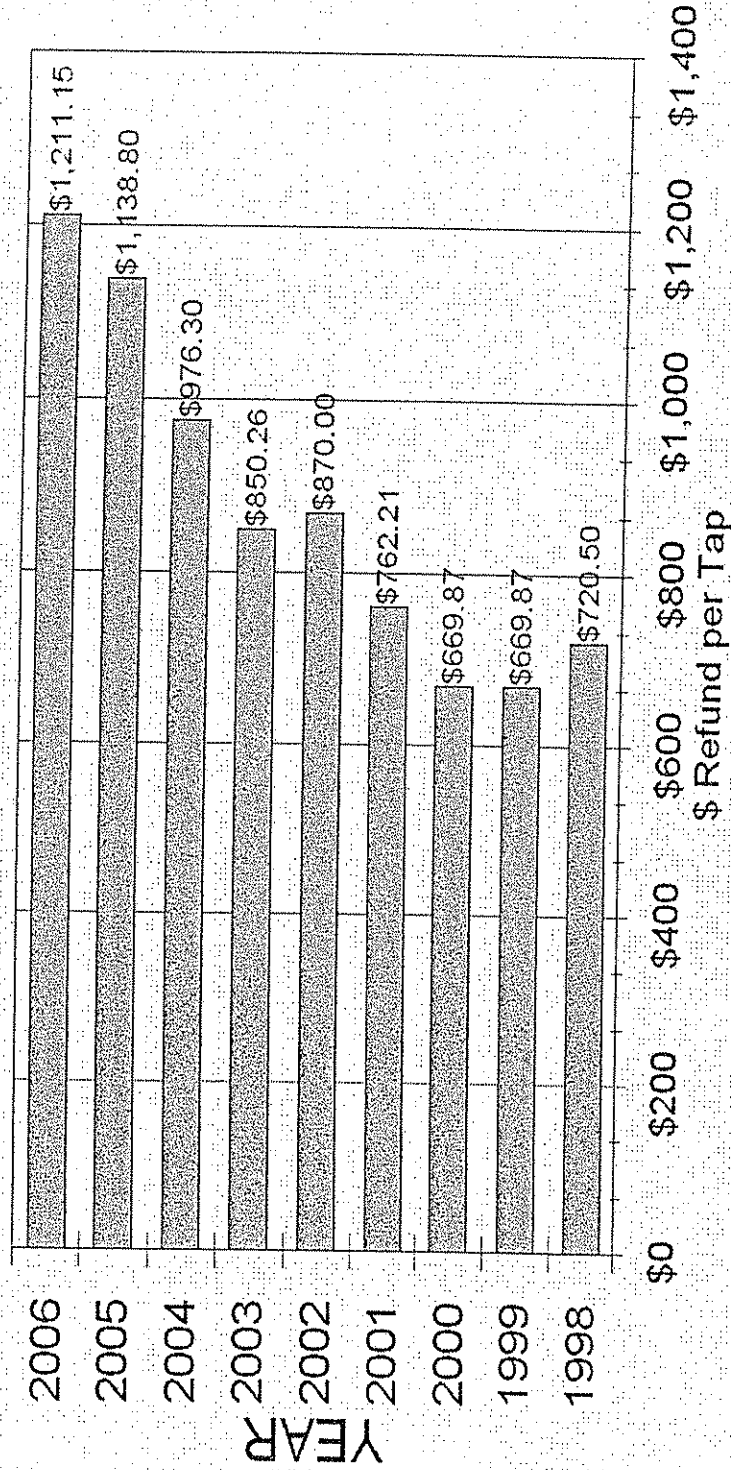
of a customer's water rate Provides funds for
WME Reimbursements

HCWD1 Water Main Extension
Reimbursement

Historical Data & Evidence

HCWD1 - WME Historical

Average Refund per Tap

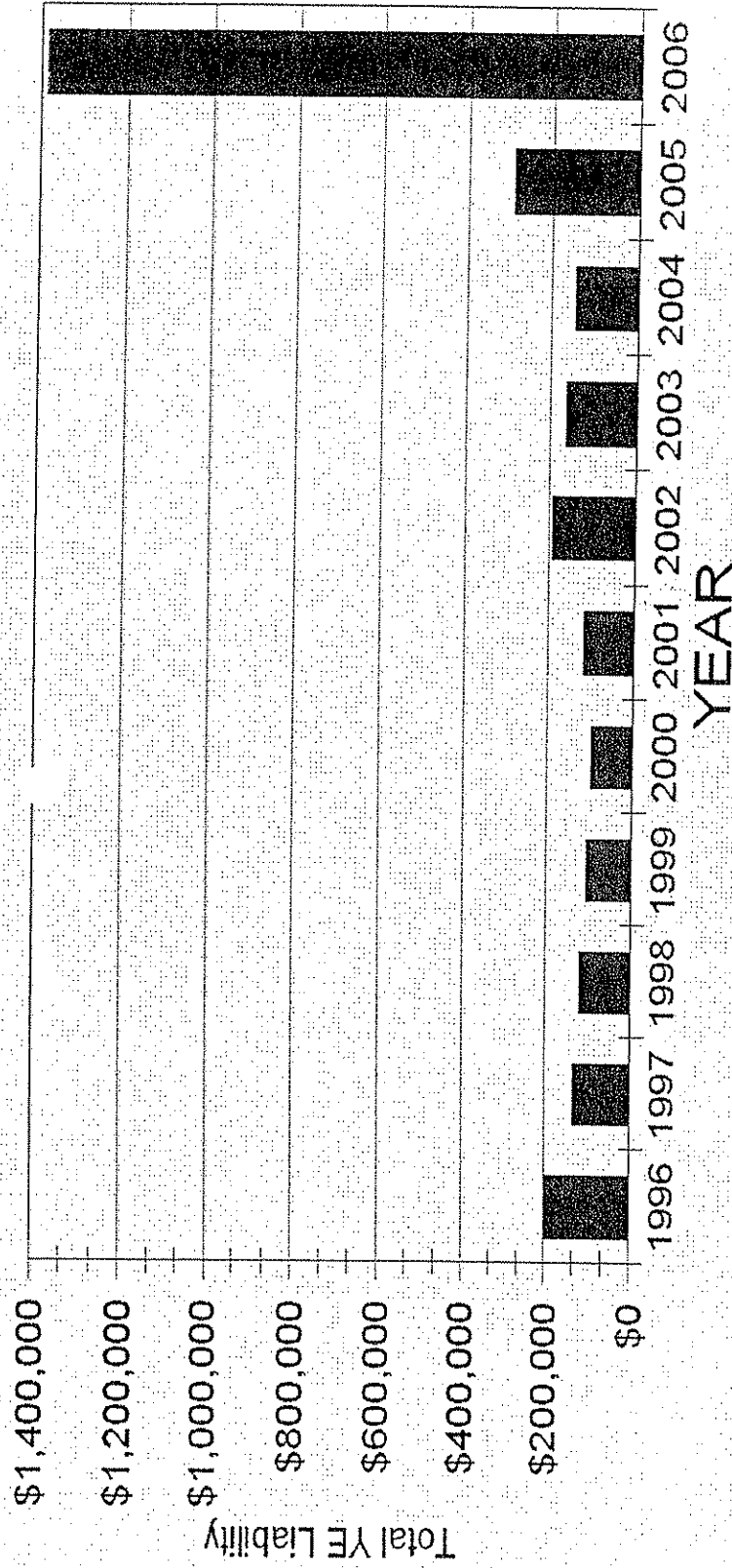


HCWD1 Water Main Extension
Reimbursement

Historical Data & Evidence

HCWD1 - WME Historical

Annual Unpaid Liability

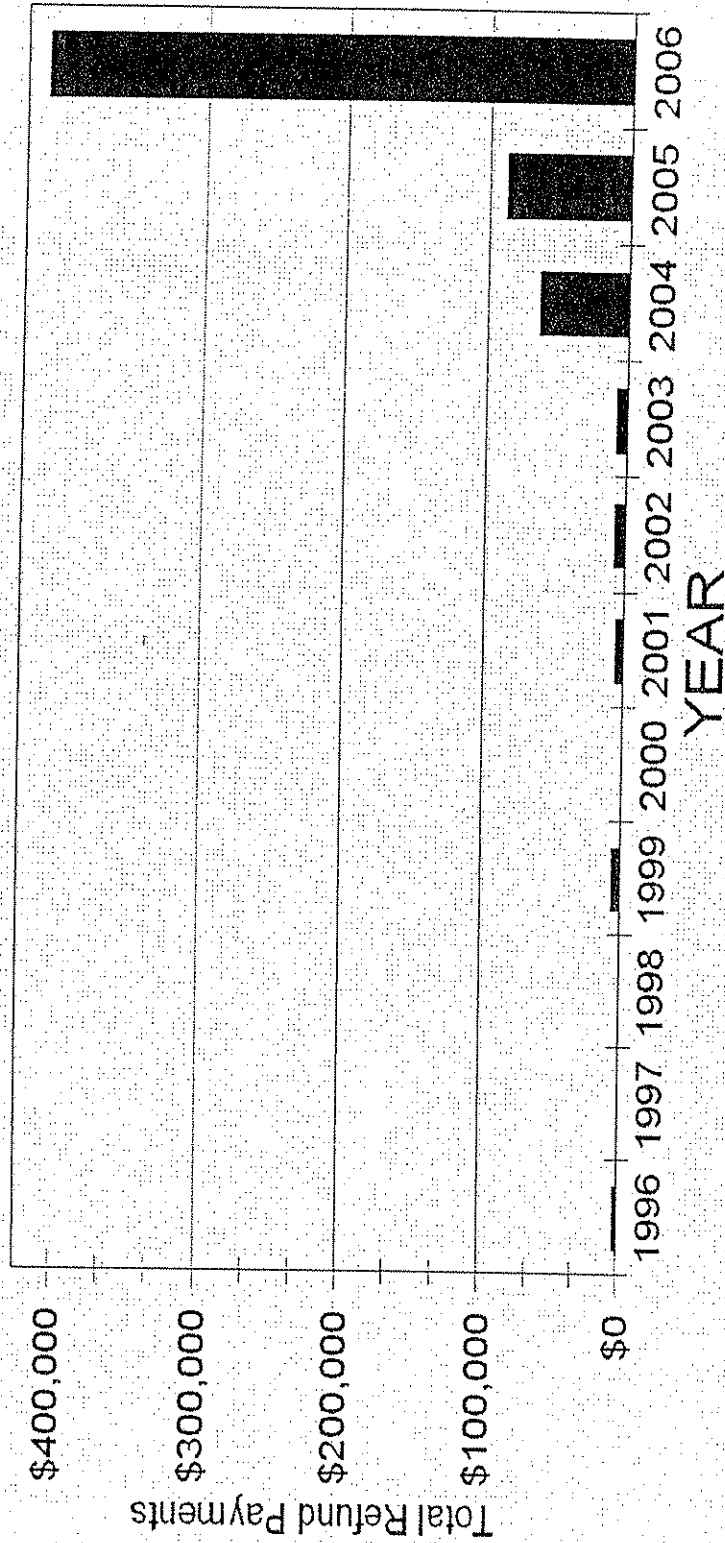


HCWD1 Water Main Extension
Reimbursement

Historical Data & Evidence

HCWD1 - WME Historical

Annual Refunds



HCWD1 Water Main Extension
Reimbursement

Available Funds

Annual Reimbursement Estimate 2006 – 2011

\$350,000 Per Year x 5 = \$1,750,000

\$1,758,000 – Unrestricted PNC Investment Funds

\$210,000 – Local Bank Account Balances

\$2,504,000 – 2006–11 Added Cash Increase

(Assumes 12% Rate Increase in 2006)

WME Reimbursements would

Use 40% of ALL HCWD1

Available funds over next 5 Years

(Does not include new WME agreements 2007 – 2011)

HCWD1 Water Main Extension
Reimbursement

Available Funds

\$350,000 Per Year Additional Funding Required

2005 Revenue from Sales (Prelim YE)
= \$3,375,930

Would need to be \$3,725,930

To meet future reimbursement liability

Require + 10.4% Increase to

Current Water Rates

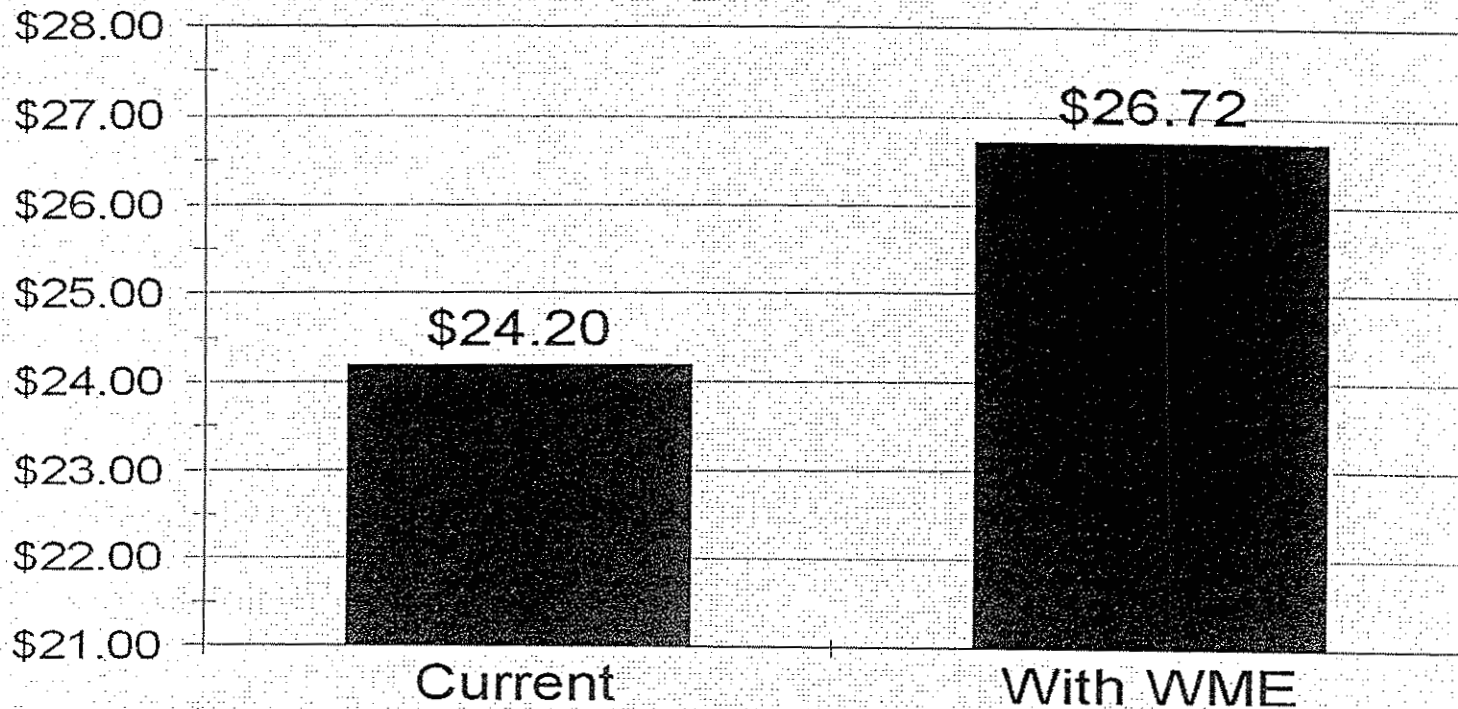
(Does not include new WME agreements 2007 – 2011 or 12% rate increase planned for 2006)

HCWD1 Water Main Extension
Reimbursement

Impact to Customer Bill

WME Reimbursements

Impact to Typical Monthly Bill



HCWD1 Water Main Extension
Reimbursement

Staff Recommendation

Staff Recommends;

1. Stop all WME's
2. Adopt Resolution
3. Tariff Change

Harjin County Water District No 1
RESOLUTION NO: 01-2006

A RESOLUTION OF THE HARJIN COUNTY WATER DISTRICT NO 1, BOARD OF COMMISSIONERS, PERTAINING TO THE DISCONTINUANCE OF PROVIDING REFUNDS TO PRIVATE DEVELOPERS WHICH HAVE BEEN ABLE TO RECEIVE PAYMENT FROM OTHER WATER SYSTEM DEVELOPERS FOR THE REIMBURSEMENT OF A PORTION OR ALL OF THEIR RAISING CUSTOMER WATER RATES, OR EXPENDING THAT THE DISTRICT CAN AVOID EQUIPMENT, OR HAVING TO BORROW FUNDS TO REIMBURSE DEVELOPERS;

WHEREAS: The Kentucky Public Service Commission ("PSC") Regulations 007 KAR 5.016, Section 11, since 1959, has required that water district's provide a method of reimbursement to developers or persons paying for a water main extension ("WME"), equivalent to the first fifty percent (100%) the project costs, and;

WHEREAS: In November, 2000, the PSC initiated an investigation (PSC Case No. 306) of the above regulation and the practice of WME reimbursements which was concluded in August, 2002 and which found that the extensive revision or elimination of this regulation would be in the public's best interest and also agreed that this reimbursement practice seriously encumbers a water utility's ability to manage its finances rather than focusing on building and upgrading its infrastructure, and;

WHEREAS: The PSC ordered that the regulation be modified or amended to address the problems of water district's not having the ability to afford reimbursements, and the integrity of other customers subsidizing growth of private development,

NOW THEREFORE, The Board of Commissioners takes and orders the following actions;

1. Immediate suspension and termination of any future WME Agreement requests which would require the District and its customers to provide refunds to developers or those installing new water main extensions;
2. To amend the District's tariff to incorporate this change;
3. To honor all existing, fully executed, WME Agreements.

Signed this Twentieth day of March 14, 2006;

By:

Mr. William Rissel, Chairman
 Mr. John Tindall, Secretary
 Mr. Les Powers, Commissioner

Mr. William Gossett, Treasurer
 Mr. Tom Luckman, Commissioner

HCWD1 Water Main Extension
 Reimbursement

Jim Bruce

From: Bill Rissel [wjrisssel@fortknoxfcu.net]
Sent: Tuesday, March 14, 2006 2:34 PM
To: Jim Bruce
Subject: RE: Special Meeting Action

Jim;

Please remember to look into our not reimbursing the existing WME projects until the meter becomes active.

Good job today. The videoconference worked well!

Bill

From: Jim Bruce [mailto:JBruce@HCWD.com]
Sent: Tuesday, March 14, 2006 2:20 PM
To: hberry.hcgo@hcky.org
Cc: Bill Rissel
Subject: Special Meeting Action

Judge Berry;

Our Board met today at noon for a special meeting to discuss Water Main Extension Reimbursements. Mr. Gosset attended by video teleconference, in accordance with KRS 61.826. They passed the attached resolution (unan.). We will be proceeding with a PSC filing to stop reimbursing developers for their water system development costs. This action was necessary to the significantly increased costs our District has incurred in higher density subdivisions, building out in a very short time and the density requiring us to reimburse 100% of the water system costs. I will call you also to see if you have any questions.

Thanks

Jim Bruce

<p>Jim Bruce <i>General Manager</i></p> <p>jbruce@hcwd.com www.hcwd.com</p>	<p>Providing Quality Water Service Since 1952</p> <p>Hardin County Water District No. 1 1400 Rogersville Road Radcliff, KY 40160</p> <p>tel: 270-351-3222 fax: 270-352-3055 mobile: 270-268-4069</p>
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Add me to your address book...

Want a signature like this?

Hardin County Water District No. 1
Minutes of the Regularly Scheduled Meeting
of the Board of Commissioners

January 30, 1995

Chairman Ron Vasquez called the meeting to order at 7:00 PM with Commissioners Bill Cecil, Jimmy Stovall and Portia Petties present. Jimmy Squires was absent.

Bill Cecil made a motion to accept the Secretaries Report from November 28, 1994. Jimmy Stovall seconded the motion. Motion passed. (Unan.)

No motion was made on the December 19, 1994 meeting minutes due to changes.

Bill Cecil made a motion to accept the Treasurer's Budget Performance Report. Jimmy Stovall seconded the motion. Motion passed. (Unan.)

Manager's Report - see addendum.

Bill Cecil made a motion to approve repairs to the telemetry system for an amount not to exceed \$1,500. Jimmy Stovall seconded the motion. Motion passed. (Unan.)

Jimmy Stovall made a motion to amend the current wage scale by deleting the Safety/Purchasing position from Grade 4 and create a Purchasing/Inventory position at Grade 2. Portia Petties seconded the motion. Motion passed. (Unan.)

Bill Cecil made a motion to approve the replacement of the roof at the Pirtle Springs Water Treatment plant for \$1,800. Portia Petties seconded the motion. Motion passed. (Unan.)

Jimmy Stovall made a motion to accept the revised Water Main Extension Agreement. Portia Petties seconded the motion. Motion passed. (Unan.)

Bill Cecil made a motion to enter into executive session at 9:11 PM to discuss legal, personnel and property update. Jimmy Stovall seconded the motion. Motion passed. (Unan.)

Chairman Ron Vasquez reconvened open session at 9:41 PM.

Bill Cecil made a motion to adjourn the meeting at 9:42 PM. Portia Petties seconded the motion. Motion passed. (Unan.)

Commissioners Meeting Minutes
January 30, 1994
Page 2




Ron Vasquez, Chairman



Portia Petties, Secretary



Bill Cecil



Jimmy Stovall

**Hardin County Water District No. 1
Minutes of Special Meeting
of the Board of Commissioners**

March 14, 2006

Chairman Bill Rissel called the meeting to order at 12:01 p.m. with Commissioners John Tindall, Ron Hockman, and Les Powers attending. Commissioner Gossett was present via video conference. Staff present included; General Manager, Mr. Jim Bruce; Operations Manager, Mr. Brett Pyles; GIS Mapping Specialist, Mr. Daniel Clifford; Attorney, Mr. David Wilson II; and Administrative Assistant, Ms. DeOndrea Bostic. Lunch was provided.

At the February 23, 2006 Regular Board of Commissioners Meeting, the Board directed staff to do an investigation and prepare a presentation on the Districts current Water Main Extension reimbursement agreements. Mr. Bruce gave past, present, and future forecast presentation on the agreements. The Board had several questions that Mr. Bruce answered. Commissioner Powers made a motion to approve and adopt Resolution 01-2006 which will immediately terminate the policy and practice of providing developer reimbursements for water main extensions to avoid future water rate increases, or depleting District reserve funds and to authorize staff and legal counsel to file any required tariff changes immediately. Treasurer Gossett seconded the motion and it was passed.

Chairman Rissel then opened the floor for public comment. There was no public comment made.

Being no further business before the Board, Commissioner Hockman made a motion at 12:50 pm to adjourn which was seconded by Treasurer Gossett and passed.

(Minutes submitted by DeOndrea Bostic)

APPROVAL OF MINUTES

I hereby certify that the foregoing Minutes were duly approved by the Board of Commissioners of the Hardin County Water District No.1 at a meeting held on the date shown below:

HARDIN COUNTY WATER DISTRICT NO.1



Mr. John Tindall, Secretary

23 March 2006
Date Approved

Hardin County Water District No 1
RESOLUTION NO: 01-2006

A RESOLUTION OF THE HARDIN COUNTY WATER DISTRICT No 1, BOARD OF COMMISSIONERS, PERTAINING TO THE DISCONTINUANCE OF PROVIDING REFUNDS TO PRIVATE DEVELOPERS FOR THE REIMBURSEMENT OF A PORTION OR ALL OF THEIR WATER SYSTEM DEVELOPMENT COSTS, IN ORDER THAT THE DISTRICT CAN AVOID RAISING CUSTOMER WATER RATES, OR EXPENDING A SIGNIFICANT AMOUNT OF ITS CASH RESERVES INTENDED FOR FUTURE REPAIR OR REPLACEMENT OF EXISTING PLANT AND EQUIPMENT, OR HAVING TO BORROW FUNDS TO REIMBURSE DEVELOPERS;

WHEREAS; The Kentucky Public Service Commission ("PSC") Regulations 807 KAR 5:066, Section 11, since 1959, has required that water districts provide a method of reimbursement to developers or persons paying for a water main extension ("WME"), equivalent to the first fifty (50) foot section of the project, and another equivalent fifty (50) foot section for each future water tap sold on that main, for up to ten (10) years, which may equal up to one hundred percent (100%) the project costs, and;

WHEREAS; In November, 2000, the PSC initiated an investigation (PSC Case No 386) of the above regulation and the practice of WME reimbursements which was concluded in August, 2002 and which found that the extensive revision or elimination of this regulation would be in the public's best interest and also agreed that this reimbursement practice seriously encumbers a water utility's ability to manage its finances rather than focusing on building and upgrading its infrastructure, and;

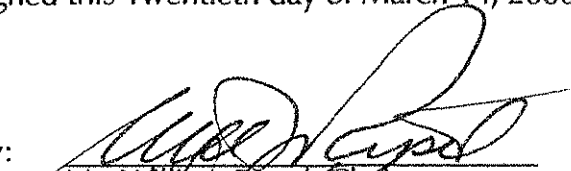
WHEREAS; The PSC ordered that the regulation be modified or amended to address the problems of water districts not having the ability to afford reimbursements, and the inequity of other customers subsidizing growth of private development,


NOW THEREFORE; The Board of Commissioners takes and orders the following actions;


1. To discontinue the use of WME Agreements.
2. To amend the District's tariff to incorporate this change.
3. File a deviation request and other documents as needed to affect the change.
4. To honor all existing, fully executed, WME Agreements.


Signed this Twentieth day of March 14, 2006;


By:


 Mr. William Kessel, Chairman


 Mr. John Findall, Secretary


 Mr. Les Powers, Commissioner


 Mr. William Gossett, Treasurer (BB)


 Mr. Ron Hockman, Commissioner

WATER MAIN EXTENSION AGREEMENT
Per Authority of 807 KAR 5:066 Section 12(4)

AGREEMENT #: 96-01

This Agreement is made by and between Hardin County Water District No. 1 ("District") of 409 West Lincoln Trail Boulevard, Radcliff, Kentucky, 40160 and Universal Interiors, Inc. DBA Bruce Beasley, Builder, ("Applicant"). All parties of interest in this agreement are identified by signature hereon.

The DISTRICT and APPLICANT(S) hereby set forth certain terms under which the DISTRICT shall, upon execution of this Agreement and receipt of the APPLICANTS share of the estimated cost of the water main extension ("PROJECT"), extend a water main 1,040 feet as shown on the attached exhibit (see Addendum #1). For the purposes of this Agreement this PROJECT shall also be known as the Squaw Valley - Section 2, water main extension.

The PROJECT beginning and ending points are described as follows:

- Beginning at: The intersection of Red Hill Road and Geronimo Circle.
- Ending at: The end of Geronimo Circle and Sitting Bull Court

Both parties agree that the DISTRICT shall decide if the PROJECT shall be built by the DISTRICT, the APPLICANT or an agent of either party. The DISTRICT may also choose to provide labor or materials as a portion or all of the DISTRICT's financial obligation to the PROJECT. Such decision shall be made by the DISTRICT and shall be made on the basis of the best financial choice for the DISTRICT and it's customers. It is further agreed that the PROJECT shall be constructed in accordance with the DISTRICT's current adopted Standard Construction Specifications. Construction consists of approximately 1,040 feet of pipe, 2 fire hydrant(s), 4 valve(s) and related fittings as described in the attached exhibit (see Addendum #1).

The DISTRICT's initial estimated contribution for each fifty (50) lineal feet section ("Unit Price") equals \$649.98, based on the attached description (see Addendum #1). The APPLICANT's contribution of \$7,702.61, is based on the DISTRICT's total estimated PROJECT cost of \$14,202.42, an estimate made with due diligence to the details of construction requirements for this particular PROJECT. Increases to the Unit Price will be paid only if the APPLICANT has notified the DISTRICT in writing prior to the costs being incurred and the Unit Price will only be increased if agreed to in advance by the DISTRICT.

Upon completion of the PROJECT, an actual accounting of the total PROJECT cost will be determined by the DISTRICT and the APPLICANT's required contribution will be adjusted based on the actual approved cost of the PROJECT. The APPLICANT will receive a refund from the DISTRICT should the final PROJECT cost be less than the approved actual amount. If the approved actual amount is more than the estimated APPLICANT's contribution, the APPLICANT agrees to pay the additional amount.

The DISTRICT further agrees, for a period of ten (10) years, to refund to the original APPLICANT the Unit Price for each new water service connected to the water main installed per this Agreement. In no instance will the amount of refund(s) to the APPLICANT exceed the DISTRICT's total approved actual amount for the PROJECT.

Before proceeding with construction, the DISTRICT must obtain approval of the Natural Resources and Environmental Protection Cabinet's Division of Water and all other approvals and permits that may be required for the PROJECT. In the event that there is a need to obtain easements or rights-of-way for the PROJECT, the DISTRICT and the APPLICANT will engage in a cooperative effort to acquire the same as needed. The DISTRICT will proceed on all matters that are required prior to constructing the PROJECT to ensure delays are minimized.

The DISTRICT shall inspect all of the work for the PROJECT and notify the APPLICANT in writing of any corrections or adjustments that may be needed to insure proper installation of the PROJECT. The APPLICANT agrees to make all requested adjustments or corrections in a timely manner. Upon acceptance of the PROJECT, the DISTRICT shall notify the APPLICANT in writing that the PROJECT has been accepted and ownership of the PROJECT transferred to the DISTRICT. The APPLICANT also agrees to provide, after PROJECT completion, a letter or affidavit from a licensed engineer verifying that the work completed by the APPLICANT or APPLICANT's agent was satisfactorily installed in accordance with the terms and requirements of this agreement.

If within one (1) year of the acceptance date any work performed by the APPLICANT, or the APPLICANT's agent, is found to be defective, the APPLICANT shall promptly and without cost to the DISTRICT correct such defective work to the satisfaction of the DISTRICT. Any work which is repaired or replaced shall also be inspected, accepted and guaranteed as the original work as described in this paragraph. In the event that any guaranteed work is not repaired or adjusted in a reasonable time, the DISTRICT may do so and charge the APPLICANT any costs incurred by the DISTRICT.

After completion and acceptance of the PROJECT, metered service connections will be installed for each Connection Charge paid. The Connection Charge shall be based on the size of the tap requested and shall be the current charge in affect at the time of the service request.

This agreement will remain in affect for ten (10) years from the date that the PROJECT is installed and accepted by the DISTRICT.

IN TESTIMONY WHEREOF, witness the signatures of the Parties, this 4TH day of NOVEMBER, 1996.

APPLICANT:

BY: Bruce Beasley
TITLE: owner

HARDIN COUNTY WATER DISTRICT No. 1

BY: James S. Bruce
TITLE: GENERAL MANAGER

STATE OF KENTUCKY:
COUNTY OF HARDIN:

The foregoing instrument was executed, acknowledged, subscribed and sworn before me this 4th day of November, 1996, by James S Bruce, General Manager

My commission expires: Charles Easter
March 30, 1998

NOTARY PUBLIC

Addendum #1

10/07/96

Squaw Valley

Water Main Extension Estimate - ESTIMATE

MTL's HCWD#1	LABOR	TOTAL	QUANT	ITEM
\$1,996.80	\$4,160.00	\$6,156.80	1,040	6" PVC Pipe
\$268.00	\$800.00	\$1,068.00	200	3/4" K-Copper
\$286.42	\$500.00	\$786.42	1	6" MJ Tapping Valve
\$856.72	\$300.00	\$1,156.72	4	6" MJ RS Valves
\$30.16	\$0.00	\$30.16	4	3/4" Corp Stops
\$63.64	\$0.00	\$63.64	4	3/4" Curb Stops
\$1,295.52	\$500.00	\$1,795.52	2	5-1/4" V.O. K81A 36" bury Hydrants
\$61.50	\$90.00	\$151.50	1	6" 90 Deg. M.J. Bend
\$183.24	\$180.00	\$363.24	4	6" 45 Deg. MJ Bends
\$55.64	\$300.00	\$355.64	4	6" x 3/4" Saddle
\$67.47	\$75.00	\$142.47	1	6" x 6" M.J. Tee
\$112.50	\$0.00	\$112.50	5	Valve Boxes - 24-36" Screw Type
\$269.37	\$500.00	\$769.37	1	12" x 6" PVC Tapping Sleeve
\$625.00	\$100.00	\$725.00	50	Concrete & Gravel Backfill
\$72.80	\$0.00	\$72.80	1,040	500' #12 Copper Wire
	\$452.64		40	HCWD#1 Labor & Overhead
\$6,244.78	\$7,957.64	\$14,202.42		TOTAL (Estimated)
\$0.00	\$0.00	\$0.00		TOTAL FINAL
(\$6,244.78)	(\$7,957.64)	(\$14,202.42)		Adjustment From Estimate

\$14,202.42 TOTAL Project Cost

\$13,519.61 Developer Initial Payment (Labor + Mtl's)

\$649.98 50 Foot Section Cost

\$6,499.81 Future District Tap Reimbursements (10 Lots)

\$7,702.61 Final Developer Contribution

54.2% Final Developer Percentage

NA Adjustment Due To/(Owed By) Developer

WATER MAIN EXTENSION AGREEMENT
Per Authority of 807 KAR 5:066 Section 12(4)

AGREEMENT #: 96-02

- JB*
1. This Agreement is made by and between Hardin County Water District No. 1 ("District") of 409 West Lincoln Trail Boulevard, Radcliff, Kentucky, 40160 and ~~John R.~~ John R. and Vicky G. Knightly of Radcliff, Kentucky ("Applicant"). All parties of interest in this agreement are identified by signature hereon.
 2. The DISTRICT and APPLICANT(S) hereby set forth certain terms under which the DISTRICT shall, upon execution of this Agreement and receipt of the APPLICANTS share of the estimated cost of the water main extension ("PROJECT"), extend a water main approximately 1,240 feet. For the purposes of this Agreement this PROJECT shall also be known as the "Rainbow Village", water main extension.

The PROJECT beginning and ending points are described as follows:

Beginning at: Lot 68, Periwinkle Dr.

Ending at: Lot 86 Periwinkle Dr. & End of Scarlet Ave.

3. Both parties agree that the DISTRICT shall decide if the PROJECT shall be built by the DISTRICT, the APPLICANT or an agent of either party. The DISTRICT may also choose to provide labor or materials as a portion or all of the DISTRICT's financial obligation to the PROJECT. Such decision shall be made by the DISTRICT and shall be made on the basis of the best financial choice for the DISTRICT and it's customers. It is further agreed that the PROJECT shall be constructed in accordance with the DISTRICT's current adopted Standard Construction Specifications. Construction consists of approximately 1,240 feet of 6 inch DIP pipe, 2 valves, 3 hydrants and other related fittings and materials as described in the attached exhibit (see Addendum #1).
4. The DISTRICT's initial estimated contribution for each fifty (50) lineal feet section ("Unit Price") equals \$758.20, based on the attached description (see Addendum #1). The APPLICANT's contribution of \$1,364.76, is based on the DISTRICT's total estimated PROJECT cost of \$17,438.58, an estimate made with due diligence to the details of construction requirements for this particular PROJECT. The APPLICANT agrees to initially pay \$11,148.34 for the purchase of materials of which a portion of will be reimbursed in accordance with this AGREEMENT. Increases to the Unit Price will be paid only if the APPLICANT has notified the DISTRICT in writing prior to the costs being incurred and the Unit Price will only be increased if agreed to in advance by the DISTRICT.
5. Upon completion of the PROJECT, an actual accounting of the total PROJECT cost will be determined by the DISTRICT and the APPLICANT's required contribution will be adjusted based on the actual approved cost of the PROJECT. The APPLICANT will receive a refund from the DISTRICT should the final PROJECT cost be less than the approved actual amount. If the approved actual amount is more than the estimated APPLICANT's contribution, the APPLICANT agrees to pay the additional amount.
6. The DISTRICT further agrees, for a period of ten (10) years, to refund to the original APPLICANT the Unit Price for each new water service connected to the water main installed per this Agreement. In no

instance will the amount of refund(s) to the APPLICANT exceed the DISTRICT's total approved actual amount for the PROJECT. Based on the initial estimate, which may be adjusted after the final project costs are determined, the maximum amount of refund to the APPLICANT would be \$16,680.38.

7. Before proceeding with construction, the DISTRICT must obtain approval of the Natural Resources and Environmental Protection Cabinet's Division of Water and all other approvals and permits that may be required for the PROJECT. In the event that there is a need to obtain easements or rights-of-way for the PROJECT, the DISTRICT and the APPLICANT will engage in a cooperative effort to acquire the same as needed. The DISTRICT will proceed on all matters that are required prior to constructing the PROJECT to ensure delays are minimized.
8. The DISTRICT shall inspect all of the work for the PROJECT and notify the APPLICANT in writing of any corrections or adjustments that may be needed to insure proper installation of the PROJECT. The APPLICANT agrees to make all requested adjustments or corrections in a timely manner. Upon acceptance of the PROJECT, the DISTRICT shall notify the APPLICANT in writing that the PROJECT has been accepted and ownership of the PROJECT transferred to the DISTRICT. The APPLICANT also agrees to provide, after PROJECT completion, a letter or affidavit from a licensed engineer verifying that the work completed by the APPLICANT or APPLICANT's agent was satisfactorily installed in accordance with the terms and requirements of this agreement.
9. If within one (1) year of the acceptance date any work performed by the APPLICANT, or the APPLICANT's agent, is found to be defective, the APPLICANT shall promptly and without cost to the DISTRICT correct such defective work to the satisfaction of the DISTRICT. Any work which is repaired or replaced shall also be inspected, accepted and guaranteed as the original work as described in this paragraph. In the event that any guaranteed work is not repaired or adjusted in a reasonable time, the DISTRICT may do so and charge the APPLICANT any costs incurred by the DISTRICT.
10. After completion and acceptance of the PROJECT, metered service connections will be installed for each Connection Charge paid. The Connection Charge shall be based on the size of the tap requested and shall be the current charge in affect at the time of the service request.

This agreement will remain in affect for ten (10) years from the date that the PROJECT is installed and accepted by the DISTRICT.

IN TESTIMONY WHEREOF, witness the signatures of the Parties, this 22ND day of NOV, 1996

HARDIN COUNTY WATER DISTRICT No. 1

BY: James S. Bruce
TITLE: GENERAL MANAGER

APPLICANT(s)

BY: Vicky Knightly
BY: _____

4/21/99
I release all Water
Main Extension taps
revenues to John R.
Knightly

Vicky Knightly
Hanson

STATE OF KENTUCKY:

COUNTY OF HARDIN:

John Brown

The foregoing instrument was executed, acknowledged, subscribed and sworn before me this 22nd day of November,
1996, by James S. Bruce, General Manager
and Vicky Knightly

My commission expires: March 30, 1998
Charlene Easter

NOTARY PUBLIC

Addendum #1

11/07/96

Rainbow Village Section #3

Water Main Extension Estimate - ESTIMATE

MTL's HCWD#1	LABOR	TOTAL	QUANT	ITEM
\$2,380.80		\$2,380.80	1,240	6" PVC Pipe
\$804.00		\$804.00	600	3/4" K-Copper
\$1,927.62		\$1,927.62	9	6" MJ RS Valves
\$90.48		\$90.48	12	3/4" Corp Stops
\$182.52		\$182.52	12	3/4" Curb Stops
\$1,943.28		\$1,943.28	3	5-1/4" V.O. K81A 36" bury Hydrants
\$62.00		\$62.00	1	6" 90 Deg. M.J. Bend
\$166.92		\$166.92	12	6" x 3/4" Saddle
\$291.08		\$291.08	4	6" x 6" M.J. Tee
\$207.00		\$207.00	9	Valve Boxes - 24-36" Screw Type
\$2,260.00		\$2,260.00	200	Concrete & Gravel Backfill
\$105.00		\$105.00	1,500	500' #12 Copper Wire
	\$7,655.00	\$7,655.00		
	\$452.64	\$452.64	40	HCWD#1 Labor & Overhead
	\$275.00	\$275.00		Hydraulic Computer Modeling
\$10,420.70	\$8,382.64	\$18,803.34		TOTAL (Estimated)
\$0.00	\$0.00	\$0.00		TOTAL FINAL
(\$10,420.70)	(\$8,382.64)	(\$18,803.34)		Adjustment From Estimate

\$18,803.34 TOTAL Project Cost

\$18,045.14 Developer Initial Payment (Labor + Mtls)

\$758.20 50 Foot Section Cost

\$16,680.38 Future District Tap Reimbursements (22 Lots)

\$1,364.76 Estim. Final Developer Contribution

7.3% Estim. Final Developer Percentage

WATER MAIN EXTENSION AGREEMENT
Per Authority of 807 KAR 5:056 Section 12(4)

AGREEMENT #: 97-01

1. This Agreement is made by and between Hardin County Water District No. 1 ("District") of 409 West Lincoln Trail Boulevard, Radcliff, Kentucky, 40160 and North Hardin Developers Inc. 1601-A North Logsdon Parkway, Radcliff Kentucky, 40160 ("Applicant"). All parties of interest in this agreement are identified by signature hereon.
2. The DISTRICT and APPLICANT(S) hereby set forth certain terms under which the DISTRICT shall, upon execution of this Agreement and receipt of the APPLICANTS share of the estimated cost of the water main extension ("PROJECT"), extend a water main approximately 1,120 feet. For the purposes of this Agreement this PROJECT shall also be known as the "Hilltop Terrace - Section 7", water main extension. The PROJECT beginning and ending points are described as follows:

Beginning at: Lots 75 & 18 north along Woodland Drive

Ending at: Lot 109 and Lot 113 on Joshua Court

3. Both parties agree that the DISTRICT shall decide if the PROJECT shall be built by the DISTRICT, the APPLICANT or an agent of either party. The DISTRICT may also choose to provide labor or materials as a portion or all of the DISTRICT's financial obligation to the PROJECT. Such decision shall be made by the DISTRICT and shall be made on the basis of the best financial choice for the DISTRICT and it's customers. It is further agreed that the PROJECT shall be constructed in accordance with the DISTRICT's current adopted Standard Construction Specifications. Construction consists of approximately 800 feet of Eight inch pipe and 320 feet of Six inch pipe, 2 hydrant(s), 4 valve(s) and related fittings as described in the attached exhibit (see Addendum #1 for details).
4. The DISTRICT's initial estimated contribution for each of fifty (50) lineal feet section ("Unit Price") equals \$728.92, based on the attached description work sheet (see Addendum #1). The APPLICANT's contribution of \$4,665.10, is based on the DISTRICT's construction cost total estimated PROJECT cost of \$16,327.86, an estimate made with due diligence to the details of construction requirements for this particular PROJECT. Increases to the Unit Price will be paid only if the APPLICANT has notified the DISTRICT in writing prior to the costs being incurred and the Unit Price will only be increased if agreed to in advance by the DISTRICT.
5. Upon completion of the PROJECT, an actual accounting of the total PROJECT cost will be determined by the DISTRICT and the APPLICANT's required contribution will be adjusted based on the actual approved cost of the PROJECT. The APPLICANT will receive a refund from the DISTRICT should the final PROJECT cost be less than the approved actual amount. If the approved actual amount is more than the estimated APPLICANT's contribution, the APPLICANT agrees to pay the additional amount.
6. The DISTRICT further agrees, for a period of ten (10) years, to refund to the original APPLICANT the Unit Price for each new water service connected to the water main installed per this Agreement. In no instance will the amount of refund(s) to the APPLICANT exceed the DISTRICT's total approved actual amount for the PROJECT. Based on the initial estimate, which may be adjusted after the final project costs are determined, the maximum amount of refund to the APPLICANT would be \$11,662.76.

7. Before proceeding with construction, the DISTRICT must obtain approval of the Natural Resources and Environmental Protection Cabinet's Division of Water and all other approvals and permits that may be required for the PROJECT. In the event that there is a need to obtain easements or rights-of-way for the PROJECT, the DISTRICT and the APPLICANT will engage in a cooperative effort to acquire the same as needed. The DISTRICT will proceed on all matters that are required prior to constructing the PROJECT to ensure delays are minimized.
8. The DISTRICT shall inspect all of the work for the PROJECT and notify the APPLICANT in writing of any corrections or adjustments that may be needed to insure proper installation of the PROJECT. The APPLICANT agrees to make all requested adjustments or corrections in a timely manner. Upon acceptance of the PROJECT, the DISTRICT shall notify the APPLICANT in writing that the PROJECT has been accepted and ownership of the PROJECT transferred to the DISTRICT. The APPLICANT also agrees to provide, after PROJECT completion, a letter or affidavit from a licensed engineer verifying that the work completed by the APPLICANT or APPLICANT's agent was satisfactorily installed in accordance with the terms and requirements of this agreement.
9. If within one (1) year of the acceptance date any work performed by the APPLICANT, or the APPLICANT's agent, is found to be defective, the APPLICANT shall promptly and without cost to the DISTRICT correct such defective work to the satisfaction of the DISTRICT. Any work which is repaired or replaced shall also be inspected, accepted and guaranteed as the original work as described in this paragraph. In the event that any guaranteed work is not repaired or adjusted in a reasonable time, the DISTRICT may do so and charge the APPLICANT any costs incurred by the DISTRICT.
10. After completion and acceptance of the PROJECT, metered service connections will be installed for each Connection Charge paid. The Connection Charge shall be based on the size of the tap requested and shall be the current charge in affect at the time of the service request.

11. This agreement will remain in affect for ten (10) years from the date that the PROJECT is installed and accepted by the DISTRICT.

IN TESTIMONY WHEREOF, witness the signatures of the Parties, this 4TH day of MARCH, 1997

HARDIN COUNTY WATER DISTRICT No. 1

BY: *James Blue*
TITLE: GENERAL MANAGER

APPLICANT(s)

BY: *Virgil Pearman* PRESIDENT
BY: NORTH HARDIN DEVELOPERS, INC.
1601-A N. LOGSDON PKWY.
RADCLIFF, KY 40160

STATE OF KENTUCKY:

COUNTY OF HARDIN:

The foregoing instrument was executed, acknowledged, subscribed and sworn before me this 4 day of MARCH, 1997, by Virgil L. Pearman, Pres. of
NORTH HARDIN DEVELOPERS, INC.

My commission expires: 3/12/01

Mary Wang

NOTARY PUBLIC

Addendum #1

02/26/97

Hilltop Terrace Section 7

Water Main Extension Estimate - ESTIMATE

MTL's HCWD#1	LABOR	TOTAL	QUANT	ITEM
\$2,304.00		\$2,304.00	800	8" PVC Pipe
\$544.00		\$544.00	320	6" PVC Pipe
\$536.00		\$536.00	400	3/4" K-Copper
\$428.34		\$428.34	2	6" MJ RS Valves
\$666.40		\$666.40	2	8" MJ RS Valves
\$72.00		\$72.00	8	3/4" Corp Stops
\$129.20		\$129.20	8	3/4" Curb Stops
\$1,295.50		\$1,295.50	2	5-1/4" V.O. K81A 36" bury Hydrants
\$120.56		\$120.56	8	6" x 3/4 Saddles
\$139.92		\$139.92	2	10 x 8 MJ Reducer
\$183.74		\$183.74	2	8" x 6" M.J. Tee
\$102.40		\$102.40	4	Valve Boxes - 24-36" Screw Type
\$1,700.00		\$1,700.00	200	Gravel Backfill/Ton
\$62.00		\$62.00	1	Concrete/CY
\$96.00		\$96.00	1,200	500' #12 Copper Wire
	\$7,230.00	\$7,230.00	1	Estimated Contractor Labor
	\$492.80	\$492.80	40	HCWD#1 Labor + Overhead (Hrs)
	\$225.00	\$225.00	1	Hydraulic Computer Modeling
\$8,380.06	\$7,947.80	\$16,327.86		TOTAL (ESTIMATE)

\$16,327.86 TOTAL Project Cost

\$9,097.86 Developer Initial Payment (Dist Labor + Mtl's)

\$14.58 Cost / Lineal Foot

\$728.92 50 Foot Section Cost (Per Lot Reimbursement)

\$10,933.83 Future District Tap Reimbursments (15 Lots)

\$4,665.10 Estim. Final Developer Contribution

\$11,662.76 Estim. Final District Contribution

28.6% Estim. Final Developer Percentage

71.4% Estim. Final District Percentage

WATER MAIN EXTENSION AGREEMENT

Per Authority of 807 KAR 5:066 Section 12(4)

AGREEMENT #: 97-02

1391
1. This Agreement is made by and between Hardin County Water District No. 1 ("District") of 409 West Lincoln Trail Boulevard, Radcliff, Kentucky, 40160 and Mr. Ray and Mrs. Linda Latiola of 1387 Red Hill Road, Radcliff, Kentucky, 40160 ("Applicant"). All parties of interest in this agreement are identified by signature hereon. *Vine Grove, Ky*

2. The DISTRICT and APPLICANT(S) hereby set forth certain terms under which the DISTRICT shall, upon execution of this Agreement and receipt of the APPLICANTS share of the estimated cost of the water main extension ("PROJECT"), extend a water main approximately 520 feet. For the purposes of this Agreement this PROJECT shall also be known as the "Wood Lane", water main extension. The PROJECT beginning and ending points are described as follows:

Beginning at: A 10 inch tee at the intersection of Red Hill Road and Wood Lane
Ending at: A hydrant in front of the Applicants house on Wood Lane

3. Both parties agree that the DISTRICT shall decide if the PROJECT shall be built by the DISTRICT, the APPLICANT or an agent of either party. The DISTRICT may also choose to provide labor or materials as a portion or all of the DISTRICT's financial obligation to the PROJECT. Such decision shall be made by the DISTRICT and shall be made on the basis of the best financial choice for the DISTRICT and it's customers. It is further agreed that the PROJECT shall be constructed in accordance with the DISTRICT's current adopted Standard Construction Specifications. Construction consists of approximately 520 feet of Six Inch PVC Pipe, 1 hydrant(s), 1 valve(s) and related fittings as described in the attached exhibit (see Addendum #1 for details).

4. The DISTRICT's initial estimated contribution for each of fifty (50) lineal feet section ("Unit Price") equals \$519.03, based on the attached description work sheet (see Addendum #1). The APPLICANT's contribution of \$4,359.85, is based on the DISTRICT's construction cost total estimated PROJECT cost of \$5,397.91, an estimate made with due diligence to the details of construction requirements for this particular PROJECT. Increases to the Unit Price will be paid only if the APPLICANT has notified the DISTRICT in writing prior to the costs being incurred and the Unit Price will only be increased if agreed to in advance by the DISTRICT.

5. Upon completion of the PROJECT, an actual accounting of the total PROJECT cost will be determined by the DISTRICT and the APPLICANT's required contribution will be adjusted based on the actual approved cost of the PROJECT. The APPLICANT will receive a refund from the DISTRICT should the final PROJECT cost be less than the approved actual amount. If the approved actual amount is more than the estimated APPLICANT's contribution, the APPLICANT agrees to pay the additional amount.

The DISTRICT further agrees, for a period of ten (10) years, to refund to the original

APPLICANT the Unit Price for each new water service connected to the water main installed per this Agreement. In no instance will the amount of refund(s) to the APPLICANT exceed the DISTRICT's total approved actual amount for the PROJECT.

Before proceeding with construction, the DISTRICT must obtain approval of the Natural Resources and Environmental Protection Cabinet's Division of Water and all other approvals and permits that may be required for the PROJECT. In the event that there is a need to obtain easements or rights-of-way for the PROJECT, the DISTRICT and the APPLICANT will engage in a cooperative effort to acquire the same as needed. The DISTRICT will proceed on all matters that are required prior to constructing the PROJECT to ensure delays are minimized.

8. The DISTRICT shall inspect all of the work for the PROJECT and notify the APPLICANT in writing of any corrections or adjustments that may be needed to insure proper installation of the PROJECT. The APPLICANT agrees to make all requested adjustments or corrections in a timely manner. Upon acceptance of the PROJECT, the DISTRICT shall notify the APPLICANT in writing that the PROJECT has been accepted and ownership of the PROJECT transferred to the DISTRICT. The APPLICANT also agrees to provide, after PROJECT completion, a letter or affidavit from a licensed engineer verifying that the work completed by the APPLICANT or APPLICANT's agent was satisfactorily installed in accordance with the terms and requirements of this agreement.
9. If within one (1) year of the acceptance date any work performed by the APPLICANT, or the APPLICANT's agent, is found to be defective, the APPLICANT shall promptly and without cost to the DISTRICT correct such defective work to the satisfaction of the DISTRICT. Any work which is repaired or replaced shall also be inspected, accepted and guaranteed as the original work as described in this paragraph. In the event that any guaranteed work is not repaired or adjusted in a reasonable time, the DISTRICT may do so and charge the APPLICANT any costs incurred by the DISTRICT.
10. After completion and acceptance of the PROJECT, metered service connections will be installed for each Connection Charge paid. The Connection Charge shall be based on the size of the tap requested and shall be the current charge in affect at the time of the service request.
11. This agreement will remain in affect for ten (10) years from the date that the PROJECT is installed and accepted by the DISTRICT.

IN TESTIMONY WHEREOF, witness the signatures of the Parties, this 1TH day of JUNE, 1997.

HARDIN COUNTY WATER DISTRICT No. 1

BY: James Bruce
TITLE: GENERAL MANAGER

APPLICANT(S)

BY: Ray Latula
BY: Linda S. Latula

STATE OF KENTUCKY:

COUNTY OF HARDIN:

The foregoing instrument was executed, acknowledged, subscribed and sworn before me this 6th day of June, 1997, by Jim Bruce, General Manager

My commission expires: MARCH 30, 1998

Charles Easter

NOTARY PUBLIC

Addendum #1

06/05/97

Wood Lane

Water Main Extension Estimate - ESTIMATE

MTL's HCWD#1	LABOR	TOTAL	QUANT	ITEM
\$1,019.20		\$1,019.20	520	6" PVC Pipe
\$28.00		\$28.00	560	500' #12 Copper Wire
\$227.62		\$227.62	1	6" MJ RS Valves
\$79.62		\$79.62	1	6" MJ Tee
\$15.56		\$15.56	1	6" MJ Plug
\$49.70		\$49.70	1	6" MJ 45 Deg. Bend
\$70.29		\$70.29	1	10" x 6" MJ Reducer
\$61.19		\$61.19	1	10" DI Megalug Joint Restraint
\$682.89		\$682.89	1	5-1/4" V.O. K81A 36" bury Hydrants
\$25.00		\$25.00	1	Valve Boxes - 24-36" Screw Type
\$493.00		\$493.00	58	Gravel Backfill/Ton
\$140.00		\$140.00	2	Concrete/Thrust Blocking
	\$2,000.00	\$2,000.00	1	Estimated Contractor Labor
	\$50.00	\$50.00	1	BAC-T Sampling
	\$455.84	\$455.84	37	HCWD#1 Labor + Overhead (Hrs)
\$2,892.07	\$2,505.84	\$5,397.91		TOTAL (ESTIMATE)

\$5,397.91 TOTAL Project Cost

\$3,347.91 Developer Initial Payment (Dist Labor + Mtls)

\$10.38 Cost / Lineal Foot

\$519.03 50 Foot Section Cost (Per Lot Reimbursement)

\$4,359.85 Estim. Final Developer Contribution

\$1,038.06 Estim. Final District Contribution

80.8% Estim. Final Developer Percentage

19.2% Estim. Final District Percentage

NA Adjustment Due To/(Owed By) Developer

WATER MAIN EXTENSION AGREEMENT
Per Authority of 807 KAR 5:066 Section 12(4)

AGREEMENT #: 99-05

1. This Agreement is made by and between Hardin County Water District No. 1 ("District") of 1400 Rogersville Road, Radcliff, Kentucky, 40160 and Mr. Earl Cato ("Applicant"). All parties of interest in this agreement are identified by signature hereon.
2. The DISTRICT and APPLICANT(S) hereby set forth certain terms under which the DISTRICT shall, upon execution of this Agreement and receipt of the APPLICANTS share of the estimated cost of the water main extension ("PROJECT"), extend a water main approximately 700 feet. For the purposes of this Agreement this PROJECT shall also be known as the "Lexa-Villa North", water main extension. The PROJECT beginning and ending points are described as follows:

 Beginning at: An existing water main in the west right of way of Highway 31W, across from Knox boulevard

 Ending at: The point of service line connection for Lot 2 located at the southeast corner of Lot 2 on the west side of Highway 31W
3. Both parties agree that the DISTRICT shall decide if the PROJECT shall be built by the DISTRICT, the APPLICANT or an agent of either party. The DISTRICT may also choose to provide labor or materials as a portion or all of the DISTRICT's financial obligation to the PROJECT. Such decision shall be made by the DISTRICT and shall be made on the basis of the best financial choice for the DISTRICT and it's customers. It is further agreed that the PROJECT shall be constructed in accordance with the DISTRICT's current adopted Standard Construction Specifications. Construction consists of approximately 900 feet of six inch pipe and 2 hydrant(s), 4 valve(s) and related fittings as described in the attached exhibit (see Addendum #1 for details).
4. The DISTRICT's initial estimated contribution for each of fifty (50) lineal feet section ("Unit Price") equals \$568.60, based on the attached description work sheet (see Addendum #1). The APPLICANT's contribution of \$9,097.57, is based on the DISTRICT's construction cost total estimated PROJECT cost of \$10,234.77, an estimate made with due diligence to the details of construction requirements for this particular PROJECT. Increases to the Unit Price will be paid only if the APPLICANT has notified the DISTRICT in writing prior to the costs being incurred and the Unit Price will only be increased if agreed to in advance by the DISTRICT.
5. Upon completion of the PROJECT, an actual accounting of the total PROJECT cost will be determined by the DISTRICT and the APPLICANT's required contribution will be adjusted based on the actual approved cost of the PROJECT. The APPLICANT will receive a refund from the DISTRICT should the final PROJECT cost be less than the approved actual amount. If the approved actual amount is more than the estimated APPLICANT's contribution, the APPLICANT agrees to pay the additional amount.
6. The DISTRICT further agrees, for a period of ten (10) years, to refund to the original APPLICANT the Unit Price for each new water service connected to the water main installed per this Agreement. In no instance will the amount of refund(s) to the APPLICANT exceed the DISTRICT's total approved actual

amount for the PROJECT. Based on the initial estimate, which may be adjusted after the final project costs are determined, the maximum amount of refund to the APPLICANT would be \$1,137.20.

7. Before proceeding with construction, the DISTRICT must obtain approval of the Natural Resources and Environmental Protection Cabinet's Division of Water and all other approvals and permits that may be required for the PROJECT. In the event that there is a need to obtain easements or rights-of-way for the PROJECT, the DISTRICT and the APPLICANT will engage in a cooperative effort to acquire the same as needed. The DISTRICT will proceed on all matters that are required prior to constructing the PROJECT to ensure delays are minimized.
8. The DISTRICT shall inspect all of the work for the PROJECT and notify the APPLICANT in writing of any corrections or adjustments that may be needed to insure proper installation of the PROJECT. The APPLICANT agrees to make all requested adjustments or corrections in a timely manner. Upon acceptance of the PROJECT, the DISTRICT shall notify the APPLICANT in writing that the PROJECT has been accepted and ownership of the PROJECT transferred to the DISTRICT. The APPLICANT also agrees to provide, after PROJECT completion, a letter or affidavit from a licensed engineer verifying that the work completed by the APPLICANT or APPLICANT's agent was satisfactorily installed in accordance with the terms and requirements of this agreement.
9. If within one (1) year of the acceptance date any work performed by the APPLICANT, or the APPLICANT's agent, is found to be defective, the APPLICANT shall promptly and without cost to the DISTRICT correct such defective work to the satisfaction of the DISTRICT. Any work which is repaired or replaced shall also be inspected, accepted and guaranteed as the original work as described in this paragraph. In the event that any guaranteed work is not repaired or adjusted in a reasonable time, the DISTRICT may do so and charge the APPLICANT any costs incurred by the DISTRICT.
10. After completion and acceptance of the PROJECT, metered service connections will be installed for each Connection Charge paid. The Connection Charge shall be based on the size of the tap requested and shall be the current charge in affect at the time of the service request.

11. This agreement will remain in affect for ten (10) years from the date that the PROJECT is installed and accepted by the DISTRICT.

IN TESTIMONY WHEREOF, witness the signatures of the Parties, this 4th day of Oct, 19 99.

HARDIN COUNTY WATER DISTRICT No. 1

BY: James Bruce
TITLE: GENERAL MANAGER

APPLICANT(s)

BY: [Signature]
BY: _____

STATE OF KENTUCKY:

COUNTY OF HARDIN:

The foregoing instrument was executed, acknowledged, subscribed and sworn before me this 4th day of October, 19 99, by JAMES BRUCE, GENERAL MANAGER

My commission expires: September 24, 2001

[Signature]

NOTARY PUBLIC

Addendum #1

09/14/99

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Lex-A-Villa North

Water Main Extension - ESTIMATE (Revised)

MTL's HCWD#1	LABOR	TOTAL	QUANT	ITEM
\$3,024.00		\$3,024.00	900	6" SDR14 PVC Pipe
\$984.00		\$984.00	4	6" MJ Gate Valves
\$78.00		\$78.00	4	24"-36" Ci Screw Type Valve Boxes
\$1,485.06		\$1,485.06	2	Hydrants- 6" MJ, 3 Way, 42" Bury
\$45.00		\$45.00	900	#12 Solid Tracer Wire
\$124.70		\$124.70	2	3,000 PSI Concrete (Blocking)
\$111.80		\$111.80	13	Tons DGA Gravel
	\$3,400.00	\$3,400.00	1	Outside Contractor (61%)
	\$150.00	\$150.00	1	D.O.W. Plan Approval Fee
	\$440.00	\$440.00	1	Estimated Contractor Design/Engineer
	\$362.21	\$362.21	24	HCWD#1 Labor + Overhead (Hrs)
	\$30.00	\$30.00	1	Bac-T Testing
\$5,852.56	\$4,382.21	\$10,234.77	TOTAL Estimate	

\$10,234.77 TOTAL Project Cost

\$6,244.77 Developer Initial Payment (Dist Labor + Mtls)

\$11.37 Cost / Lineal Foot

\$568.60 50 Foot Section Cost (Per Lot Reimbursement)

\$568.60 Future District Tap Reimbursement (1 Tap)

\$9,097.57 Estim. Final Developer Contribution

\$1,137.20 Estim. Final District Contribution

88.9% Estim. Final Developer Percentage

11.1% Estim. Final District Percentage

- NOTES:
1. Outside contractor estimate is 61% of total to install 1,469 l.f. of main
 2. HCWD#1 to pay all additional cost to extend main from SE corner of lot 2 to Preston Street main.
 3. Developers share includes installation of two (2) fire hydrants
 4. Engineer estimate is 61% of total to design 1,469 l.f. of main

WATER MAIN EXTENSION AGREEMENT

Per Authority of 807 KAR 5:066 Section 12(4)

AGREEMENT #: 00-01

1. This Agreement is made by and between Hardin County Water District No. 1 ("District") of 1400 Rogersville Road, Radcliff, Kentucky, 40160 and Mr. William Gossett of 1206 Otter Creek Road, Vine Grove, Kentucky, 40175 ("Applicant"). All parties of interest in this agreement are identified by signature hereon.

2. The DISTRICT and APPLICANT(S) hereby set forth certain terms under which the DISTRICT shall, upon execution of this Agreement and receipt of the APPLICANTS share of the estimated cost of the water main extension ("PROJECT"), extend a water main approximately 1,460 feet. For the purposes of this Agreement this PROJECT shall also be known as the "Merideth Road - East", water main extension. The PROJECT beginning and ending points are described as follows:

Beginning at: At an existing 12 inch water main at the intersection of Harris School Road and Merideth Road in Hardin County

Ending at: A point 1,460 feet west at the west property line of Lot #1 on Merideth Road

3. Both parties agree that the DISTRICT shall decide if the PROJECT shall be built by the DISTRICT, the APPLICANT or an agent of either party. The DISTRICT may also choose to provide labor or materials as a portion or all of the DISTRICT's financial obligation to the PROJECT. Such decision shall be made by the DISTRICT and shall be made on the basis of the best financial choice for the DISTRICT and it's customers. It is further agreed that the PROJECT shall be constructed in accordance with the DISTRICT's current adopted Standard Construction Specifications. Construction consists of approximately 1,460 feet of six inch PVC pipe and 1 hydrant(s), 2 valve(s) and related fittings as described in the attached exhibit (see Addendum #1 for details).

4. The DISTRICT's initial estimated contribution for each of fifty (50) lineal feet section ("Unit Price") equals \$544.30, based on the attached description work sheet (see Addendum #1). The APPLICANT's contribution of \$14,804.84, is based on the DISTRICT's construction cost total estimated PROJECT cost of \$15,893.44, an estimate made with due diligence to the details of construction requirements for this particular PROJECT. Increases to the Unit Price will be paid only if the APPLICANT has notified the DISTRICT in writing prior to the costs being incurred and the Unit Price will only be increased if agreed to in advance by the DISTRICT.

5. Upon completion of the PROJECT, an actual accounting of the total PROJECT cost will be determined by the DISTRICT and the APPLICANT's required contribution will be adjusted based on the actual approved cost of the PROJECT. The APPLICANT will receive a refund from the DISTRICT should the final PROJECT cost be less than the approved actual amount. If the approved actual amount is more than the estimated APPLICANT's contribution, the APPLICANT agrees to pay the additional amount.

6. The DISTRICT further agrees, for a period of ten (10) years, to refund to the original APPLICANT the Unit Price for each new water service connected to the water main installed per this Agreement. In no

instance will the amount of refund(s) to the APPLICANT exceed the DISTRICT's total approved actual amount for the PROJECT. Based on the initial estimate, which may be adjusted after the final project costs are determined, the maximum amount of refund to the APPLICANT would be \$4,898.70.

7. Before proceeding with construction, the DISTRICT must obtain approval of the Natural Resources and Environmental Protection Cabinet's Division of Water and all other approvals and permits that may be required for the PROJECT. In the event that there is a need to obtain easements or rights-of-way for the PROJECT, the DISTRICT and the APPLICANT will engage in a cooperative effort to acquire the same as needed. The DISTRICT will proceed on all matters that are required prior to constructing the PROJECT to ensure delays are minimized.
8. The DISTRICT shall inspect all of the work for the PROJECT and notify the APPLICANT in writing of any corrections or adjustments that may be needed to insure proper installation of the PROJECT. The APPLICANT agrees to make all requested adjustments or corrections in a timely manner. Upon acceptance of the PROJECT, the DISTRICT shall notify the APPLICANT in writing that the PROJECT has been accepted and ownership of the PROJECT transferred to the DISTRICT. The APPLICANT also agrees to provide, after PROJECT completion, a letter or affidavit from a licensed engineer verifying that the work completed by the APPLICANT or APPLICANT's agent was satisfactorily installed in accordance with the terms and requirements of this agreement.
9. If within one (1) year of the acceptance date any work performed by the APPLICANT, or the APPLICANT's agent, is found to be defective, the APPLICANT shall promptly and without cost to the DISTRICT correct such defective work to the satisfaction of the DISTRICT. Any work which is repaired or replaced shall also be inspected, accepted and guaranteed as the original work as described in this paragraph. In the event that any guaranteed work is not repaired or adjusted in a reasonable time, the DISTRICT may do so and charge the APPLICANT any costs incurred by the DISTRICT.
10. After completion and acceptance of the PROJECT, metered service connections will be installed for each Connection Charge paid. The Connection Charge shall be based on the size of the tap requested and shall be the current charge in affect at the time of the service request.

11. This agreement will remain in affect for ten (10) years from the date that the PROJECT is installed and accepted by the DISTRICT.

IN TESTIMONY WHEREOF, witness the signatures of the Parties, this 18TH day of AUGUST, 2000.

HARDIN COUNTY WATER DISTRICT No. 1

BY: James Bruce
TITLE: GENERAL MANAGER

APPLICANT(s)

BY: William Gassett

BY: _____

STATE OF KENTUCKY:

COUNTY OF HARDIN:

The foregoing instrument was executed, acknowledged, subscribed and sworn before me this 18 day of August, 2000, by Bonnie Russell

My commission expires: March 1, 2004

NOTARY PUBLIC

Addendum #1

10/19/00

Merideth Road Extension

Water Main Extension - FINAL COSTS

MTL's HCWD#1	LABOR	TOTAL	QUANT	ITEM
\$5,037.00		\$5,037.00	1,460	PIPE- 6" C900 PVC Pipe
\$530.00		\$530.00	40	12" STEEL ENCASEMENT PIPE
\$210.00		\$210.00	6	ENCASEMENT PIPE SPACERS
\$537.00		\$537.00	2	VALVES- 6" MJ GATE VALVE
\$40.00		\$40.00	2	VALVE BOXES- CI
\$30.00		\$30.00	2	VALVE MARKERS
\$799.00		\$799.00	1	HYDRANTS- KENNEDY
\$1,100.00		\$1,100.00	1	12" X 12" X 6" DI TAP SLEEVE & VALVE
\$79.66		\$79.66	1	6" x 6" x 6" MJ TEE
\$32.00		\$32.00	1	FITTINGS- 6" MJ CAP
\$798.39		\$798.39	27	FITTINGS- 6" DI Restrainer Gland
\$120.00		\$120.00	2	FITTINGS- 22 1/2 DI BENDS
\$105.00		\$105.00	1,500	#12 Solid Tracer Wire
\$312.50		\$312.50	5	3000 psi Blocking Concrete (Cu. Yards)
\$67.20		\$67.20	12	DGA Backfill (Tons)
	\$3,400.00	\$3,400.00	1	Contractor (Paid by Developer)
	\$1,000.00	\$1,000.00	1	Design Fee (Outside engineer)
	\$909.36	\$909.36	72	HCWD#1 Inspector (Hours)
	\$388.08	\$388.08	72	HCWD#1 Equipment (Hours)
	\$218.25	\$218.25	72	LABOR TAXES & BENEFITS & OVERHEAD
	\$30.00	\$30.00	2	Bac-T Samples
\$9,797.75	\$5,945.69	\$15,743.44		TOTAL Estimate
(\$1,052.43)	\$807.54	(\$244.89)		Adjust Estimate to Actual
\$8,745.32	\$6,753.23	\$15,498.55		TOTAL Actual

\$15,498.55 TOTAL Project Cost (ACTUAL)

\$11,313.44 Developer Initial Payment (Checks # 1134 & 0167)

\$10.62 Cost / Lineal Foot

\$530.77 50 Foot Section Cost (Per Lot Reimbursement)

\$1,061.54 Initial District Tap Reimbursement (1 Tap + 1st 50 Feet)

\$10,721.60 Potential Final Developer Contribution

\$4,776.95 Potential Final District Contribution

69.2% Potential Final Developer Percentage

30.8% Potential Final District Percentage

(\$2,116.89) Adjustment Due from (Owed to) from Materials & HCWD1 Labor & Equipment Costs