

RESPONSE TO PSC

PSC CASE NO. 2008-00250

ITEM 28

Frankfort Electric and Water Plant Board
Response to PSC Order Dated: 7-2-2008
Case No. 2008-00250

ITEM 28: Wholesale Water Service Agreements

Response: Ex. 1 – South Anderson Agreements

Ex. 2 – U.S. 60 Agreements

Ex. 3 – North Shelby Agreements

Ex. 4 – Elkhorn Agreements

Ex. 5 – Peaks Mill Agreements

Ex. 6 – Farmdale Agreements

Ex. 7 – City of Georgetown Agreement

**AGREEMENT FOR FRANKFORT TO PROVIDE
THE SOUTH ANDERSON WATER DISTRICT
WITH SUPPLEMENTAL POTABLE WATER**

This agreement is made and entered into this 30th day of JUNE, 2000, by and between the Electric and Water Plant Board of the City of Frankfort, Kentucky hereinafter called "Plant Board," whose address is 317 West Second Street, P.O. Box 308, Frankfort, Kentucky, 40602, and the South Anderson Water District, whose address is P.O. Box 16, Lawrenceburg, Kentucky, 40342.

WHEREAS, the South Anderson Water District has a need for a supplemental water supply; and,

WHEREAS, the Plant Board has the treatment capacity to serve the South Anderson Water District, and an abundant raw water supply, subject to continuing adequate flow in the Kentucky River at Lock and Dam Number 4; and,

WHEREAS, the general location of the proposed facilities required for the sale and delivery of potable water by the Plant Board to the South Anderson Water District are generally shown on the plans entitled "South Anderson Water District, Water Systems Extensions" by Kenvirons, Inc. (project number 97185) and dated January, 2000; attached herewith.

**1. PLANT BOARD PARTICIPATION
(TWILIGHT TRAIL TO JONES LANE)**

The Plant Board will provide and install 12-inch diameter ductile iron pipe, fittings, valves and appurtenances from the Plant Board's existing 12-inch water main on Twilight Trail to Jones Lane. This water main extension is approximately 6,600 feet in length. The **estimated** construction cost of this 12-inch diameter water main extension from Twilight Trail to Jones Lane is \$262,000 (Attachment A).

The South Anderson Water District will reimburse the Plant Board the equivalent cost of providing and installing 8-inch SDR21 PVC pipe, 8-inch ductile iron fittings, and appurtenances from Twilight Trail to Jones Lane. The **estimated** cost of an equivalent 8-inch diameter PVC water main extension is \$83,700 (see attachment B). This figure is based upon an installation cost of \$8.25 per linear foot as provided by Kenvirons, Inc., and the Plant Board's annual contract price for ductile iron fittings, valves and appurtenances.

The **actual** reimbursement fee paid to the Plant Board from South Anderson Water District will be based upon the following:

1. The actual length of 12-inch ductile iron pipe laid from Twilight Trail to Jones Lane and,
2. The "as-bid" price for providing and installing 8-inch PVC pipe, ductile iron fittings, valves and appurtenances. The "as-bid" price will be determined from the contract awarded for the construction of the water main from Jones Lane to the end of the project in Anderson County.
3. A cost for mobilization, demobilization, and concrete encasement as noted in Attachment B.

2. PLANT BOARD PARTICIPATION (JONES LANE TO EVERGREEN ROAD)

The Plant Board will provide 12-inch ductile iron pipe, fittings, valves and appurtenances from Jones Lane to Evergreen Road. This is a distance of approximately 7,600 feet. The estimated cost of materials for this extension is \$128,600 (see attachment C). Air release valves shall be supplied by South Anderson Water District. Steel casing pipe for Evergreen Road crossing is to be supplied by South Anderson Water District.

South Anderson Water District will reimburse the Plant Board the equivalent cost of providing 8-inch SDR 21 PVC pipe, 8-inch ductile iron fittings, valves and appurtenances for this extension. The **estimated** cost for providing the equivalent 8-inch diameter pvc pipe, ductile iron fittings, valves and appurtenances is \$36,300 (see attachment D). This figure is based upon a material cost of \$4.00 per foot for 8-inch pvc pipe as provided by Kenvirons, Inc., and the Plant Board's annual contract price for ductile iron fittings and valves.

The **actual** reimbursement by South Anderson Water District will be determined by the following:

1. The actual length of the water-line extension from Jones Lane to Evergreen Road and,
2. The "as-bid" price for providing 8-inch pvc pipe, ductile iron fittings, and valves. The "as-bid" price will be determined from the contract awarded for the construction of the water main from Jones Lane to the end of the project in Anderson County.

**3. PLANT BOARD PARTICIPATION
(EVERGREEN ROAD TO FRANKLIN/ANDERSON COUNTY LINE)
(STA 181+00 TO STA 60+00)**

The PVC water main from Evergreen Road to the Franklin/Anderson County line shall be constructed to AWWA standards. The PVC pipe shall be C-900 pipe as approved by AWWA. The Plant Board will pay to the South Anderson Water District the difference in pipe material cost between the C-900 pipe and the SDR21 pipe. The AWWA C-900 PVC pipe is estimated to cost \$6.55 per foot while the SDR21 pipe is projected to cost \$4.00 per foot. The distance between Evergreen Road and the Anderson County line is approximately 12,100 feet. Therefore, the Plant Board will reimburse the South Anderson Water District approximately \$30,855 for the installation of C-900 pipe. The Plant Board will require a line valve approximately every 1,000 feet and a tee and valve for the purpose of installing a fire hydrant in the future. The Plant Board will provide the line valves, tee's, hydrant valves and plugs. All fittings shall be ductile iron and rated for 350 psi working pressure. The PVC pipe shall be bedded and backfilled with manufactured sand to a height of 6-inches above the barrel of the pipe. The minimum depth of bedding below the pipe barrel shall be 6-inches. Excavation below the bells of the pipe shall be a minimum of 6-inches. The total estimated participation from the Plant Board to South Anderson Water District, from Evergreen Road to the Franklin/Anderson County line is \$48,700. (see Attachment E).

The actual participation by the Plant Board will be based upon the following:

1. The actual length of water main constructed from Evergreen Road to the Anderson/Franklin County line.
2. The "as-bid" price for C-900 PVC pipe versus SDR21 PVC pipe.
3. The "as-bid" price will be determined from the contract awarded for the construction of the water main from Jones Lane to the end of the project in Anderson County.

4. EASEMENTS/PERMITS

The South Anderson Water District will be responsible for obtaining all the necessary easements and permits required for the construction of the water transmission main and appurtenances. The plans for the water main construction, from Twilight Trail to Jones Lane, will be submitted for approval to the Division of Water, by the Plant Board. All fees (to property owners, regulatory agencies, etc.) required for the construction of the water main, will be the responsibility of the South Anderson Water District.

5. PUMP STATION

A pump station will be required to pump water from Frankfort's pressure zone of 972 feet to South Anderson's pressure zone of 983 feet. The pump station will be owned, operated, and maintained by South Anderson Water District. The location of the pump station will be in Anderson County.

6. METERING

The metering point will be located in Franklin County in the vicinity of the Anderson County line. The Plant Board will own and maintain the metering facilities. The cost of the metering facilities is the responsibility of the South Anderson Water District. The master meter and vault shall be in accordance with Plant Board standards.

7. RATES

Rates and conditions of service to South Anderson Water District shall be at all times under the prevailing Rates, Rules, and Regulations as promulgated and adopted by the Plant Board. The rates charged South Anderson Water District will be in accordance with the existing rate schedule applicable to all Plant Board water users except that a minimum consumption of 50,000 gallons per day will be required. A minimum monthly bill will be based on this required daily minimum of consumption. The maximum allowable daily consumption shall be 100,000 gallons. Plant Board's rate schedule is subject to periodic adjustment to reflect changes in the cost of service. A copy of such Rates, Rules, and Regulations, presently existing is attached hereto as a part hereof.

8. INTERRUPTIONS IN SERVICE

The Plant Board will not be responsible for interruptions in service beyond its reasonable control, and it shall have the right upon notice to interrupt water supply to South Anderson Water District, if necessary, to make repairs to its water system.

9. TERM OF CONTRACT

The initial term of this agreement shall be for forty-two years from the date water is first supplied under this agreement. Potable water service will begin immediately following the successful testing and disinfecting of the transmission main and appurtenances. This agreement can be extended for an additional twenty-year term upon written approval by both parties. South Anderson Water District shall notify

the Plant Board in writing at least six months before the initial forty-two year term if they do not want to extend the agreement. Upon the giving of such written notice, this agreement shall terminate at the end of original term.

10. WATER EXTENSION

The Plant Board shall own and maintain the water transmission main and appurtenances from Twilight Trail to the Franklin/Anderson County line. The Plant Board shall have the right to make or permit to be made extensions to waterlines, which will become part of the Plant Board system. Such extensions shall include taps and tie-ins, and no consent from South Anderson Water District shall be required for such extensions, taps or tie-ins.

11. WATER USE RESTRICTION

In the event any occurrence, condition or circumstances that leads the Plant Board to request voluntary curtailment of water consumption or to impose mandatory curtailment of water consumption with respect to the Plant Board's own water users, South Anderson Water District will make the same request for voluntary curtailment of consumption or will impose the same mandatory curtailment of water consumption, upon its water users, to the end that wholesale water users of the Plant Board and water users of South Anderson Water District will be treated alike with respect to curtailment of water consumption, and South Anderson Water District will cooperate fully in taking the same character of enforcement action as the Plant Board takes with respect to any such request or mandate.

12. PROJECT INSPECTION

The Plant Board will have a resident inspector on the job to assure that the water main from Jones Lane to the Franklin/Anderson County line is constructed in accordance with this agreement and the policies and practices of the Plant Board. The construction and operation of the transmission main, shall be to the satisfaction of the Plant Board and it's inspector, prior to the commencement of service.

13. ENTIRE AGREEMENT

This Agreement constitutes the entire Agreement between the Parties and prior negotiations and understandings are hereby superceded by this Agreement. No amendment or alteration to this Agreement shall be valid or binding unless reduced in writing and signed by both parties.

14. GOVERNING LAWS

This Agreement shall be governed by the Laws of the Commonwealth of Kentucky and in the event of litigation, the same shall be brought in the Franklin Circuit Court of the Commonwealth of Kentucky. The parties expressly agree that the prevailing party shall recover from the other party, in addition to taxable costs, all reasonable expenses and all reasonable attorney fees incurred in connection of said litigation.

ELECTRIC AND WATER PLANT BOARD
OF THE CITY OF FRANKFORT, KENTUCKY

BY: E Bruce Dungan
BOARD CHAIRMAN

ATTEST: J a L i

SOUTH ANDERSON WATER DISTRICT

BY: George Kline
ACTING BOARD CHAIRMAN

ATTEST: Allen Waspe

ATTACHMENT A

12 INCH TRANSMISSION MAIN

Work Order# 7995-B
 Project Title Jones Ln. to Twilight Tr.- W.L. Ext.
 Project Code: 02 - D

WORK ORDER COST AND BILLING SHEET

COST ELEMENT	DESCRIPTION			SUB-TOTAL	TOTAL
1. LABOR COST					
A	CONSTRUCTION	2856 HRS.	\$12.45 PER HOUR	\$ 35,557.20	
B	ENGINEERING		LUMP SUM	\$ 1,000.00	
C	TOTAL LABOR COST				\$ 36,557.20
2. FRINGE BENEFIT	30% OF LABOR CHARGE				\$ 10,967.16
3. EQUIPMENT COST	\$312 PER DAY X 89.25 DAYS				\$ 27,846.00
4. MATERIAL COST					
A	INVENTORY MATERIAL	PER MATL SHEET		\$ 106,632.16	
B	MATL PURCHASED DIRECT	PURCHASE ORDERS	(SEE ATTACHED)	\$ 10,000.00	
C	SUB-TOTAL MATERIAL COST	4A+4B		\$ 116,632.16	
D	MATERIAL HANDLING COST	20% OF INVENTORY MAT'L COST (A)		\$ 21,326.43	
E	TOTAL MATERIAL COST	4C+4D			\$ 137,958.59
5. MISC. COST	10% CONTINGENCY				\$ 21,332.90
A**	40 L.F. BORE, JACK & CASE				\$ 7,000.00
B	HOE RAM ROCK IF APPLICABLE				\$ 20,000.00
6. SUB-TOTAL					\$ 261,661.85
7. SALVAGE MATERIAL COST CREDIT					
	CREDIT	DESCRIPTION			
A					
B					
C					
D	TOTAL SALVAGE CREDIT			\$ -	
8. TOTAL COST AFTER SALVAGE					\$ 261,661.85
9. NON BILLABLE COST (SEE ATTACHED)**	(Controlled by w/o Type) or		N/A		**
	(Plant Board %)				
10. TOTAL COST TO BILL	(8 less 9)				\$ 261,661.85
COMMENTS **					

APPROVED CAPITAL ADDITIONS PROJECT

(1) Is this W/O part of the approved Capital Additions Budget?

Yes XX No _____

Frankfort Electric and
 Water Plant Board
 Form w/o-4 (8/87)

FISCAL YEAR 2000-2001, SECTION 6, PAGE 16, LINE 21

**PLANT BOARD WILL BE REIMBURSED BY SOUTH ANDERSON WATER DISTRICT FOR THE COST OF AN EQUIVALENT 8-INCH PVC MAIN. PER CONTRACT WITH S.A.W.D.

12 INCH TRANSMISSION MAIN

Work Order# 7995-B

Project Title Twilight Tr. to Jones Ln.

Water Line Extension

VALVEBOX	VALVE_BOX	50750	\$36.25		
VALVEBOX	VALVE_BOX	50750	\$36.25		
VALVEBOX	VALVE_BOX	50750	\$36.25		
VALVEBOX	VALVE_BOX	50750	\$36.25		
VALVEBOX	VALVE_BOX	50750	\$36.25		
VALVEBOX	VALVE_BOX	50750	\$36.25		
VALVEBOX	VALVE_BOX	50750	\$36.25		
VALVEBOX	VALVE_BOX	50750	\$36.25		
VALVEBOX	VALVE_BOX	50750	\$36.25		
VALVEBOX	VALVE_BOX	50750	\$36.25		
VALVEBOX	VALVE_BOX	50750	\$36.25		
VALVEBOX	VALVE_BOX	50750	\$36.25		
VALVEBOX	VALVE_BOX	50750	\$36.25		
VALVEBOX	VALVE_BOX	50750	\$36.25		
11_25-12	12in.11-1/4%ell	54840	\$212.32		
11_25-12	12in.11-1/4%ell	54840	\$212.32		
11_25-12	12in.11-1/4%ell	54840	\$212.32		
11_25-12	12in.11-1/4%ell	54840	\$212.32		
11_25-12	12in.11-1/4%ell	54840	\$212.32		
11_25-12	12in.11-1/4%ell	54840	\$212.32		
11_25-12	12in.11-1/4%ell	54840	\$212.32		
11_25-12	12in.11-1/4%ell	54840	\$212.32		
11_25-12	12in.11-1/4%ell	54840	\$212.32		
11_25-12	12in.11-1/4%ell	54840	\$212.32		
11_25-12	12in.11-1/4%ell	54840	\$212.32		
22-5-12	12in.22_1/2%el	54850	\$227.19		
22-5-12	12in.22_1/2%el	54850	\$227.19		
22-5-12	12in.22_1/2%el	54850	\$227.19		
22-5-12	12in.22_1/2%el	54850	\$227.19		
22-5-12	12in.22_1/2%el	54850	\$227.19		
22-5-12	12in.22_1/2%el	54850	\$227.19		
22-5-12	12in.22_1/2%el	54850	\$227.19		
22-5-12	12in.22_1/2%el	54850	\$227.19		
22-5-12	12in.22_1/2%el	54850	\$227.19		
22-5-12	12in.22_1/2%el	54850	\$227.19		
22-5-12	12in.22_1/2%el	54850	\$227.19		
22-5-12	12in.22_1/2%el	54850	\$227.19		
22-5-12	12in.22_1/2%el	54850	\$227.19		
22-5-12	12in.22_1/2%el	54850	\$227.19		
22-5-12	12in.22_1/2%el	54850	\$227.19		
22-5-12	12in.22_1/2%el	54850	\$227.19		
22-5-12	12in.22_1/2%el	54850	\$227.19		
22-5-12	12in.22_1/2%el	54850	\$227.19		
45-12ELL	12in.45%_ell	54860	\$278.51		
45-12ELL	12in.45%_ell	54860	\$278.51		
45-12ELL	12in.45%_ell	54860	\$278.51		
45-12ELL	12in.45%_ell	54860	\$278.51		
45-12ELL	12in.45%_ell	54860	\$278.51		
45-12ELL	12in.45%_ell	54860	\$278.51		
45-12ELL	12in.45%_ell	54860	\$278.51		
45-12ELL	12in.45%_ell	54860	\$278.51		
45-12ELL	12in.45%_ell	54860	\$278.51		

HYDRANT_	fire-hydrant_	55200	\$680.61			
HYDRANT_	fire-hydrant_	55200	\$680.61			
HYDRANT_	fire-hydrant_	55200	\$680.61			
PIPE12IN	PIPE-12in_DIP	56500	\$ 86,283.56	\$13.03	6620	
PLUG-6IN	plug-6_in.C.I.	57200	\$45.41			
PLUG-6IN	plug-6_in.C.I.	57200	\$45.41			
PLUG-6IN	plug-6_in.C.I.	57200	\$45.41			
PLUG-6IN	plug-6_in.C.I.	57200	\$45.41			
PLUG-6IN	plug-6_in.C.I.	57200	\$45.41			
TSL12X12	TAPSLEEVE12x12	59850	\$861.55			
T12X6X12	tee-12x6x12_in	60650	\$405.53			
T12X6X12	tee-12x6x12_in	60650	\$405.53			
T12X6X12	tee-12x6x12_in	60650	\$405.53			
T12X6X12	tee-12x6x12_in	60650	\$405.53			
T12X6X12	tee-12x6x12_in	60650	\$405.53			
T12X6X12	tee-12x6x12_in	60650	\$405.53			
T12X6X12	tee-12x6x12_in	60650	\$405.53			
T12X6X12	tee-12x6x12_in	60650	\$405.53			
HYDVALVE	HYDRANT_VALVE_	61400	\$220.46			
HYDVALVE	HYDRANT_VALVE_	61400	\$220.46			
HYDVALVE	HYDRANT_VALVE_	61400	\$220.46			
HYDVALVE	HYDRANT_VALVE_	61400	\$220.46			
HYDVALVE	HYDRANT_VALVE_	61400	\$220.46			
HYDVALVE	HYDRANT_VALVE_	61400	\$220.46			
HYDVALVE	HYDRANT_VALVE_	61400	\$220.46			
HYDVALVE	HYDRANT_VALVE_	61400	\$220.46			
VALV12WB	valve12_inch_	61650	\$696.97			
VALV12WB	valve12_inch_	61650	\$696.97			
VALV12WB	valve12_inch_	61650	\$696.97			
VALV12WB	valve12_inch_	61650	\$696.97			
TAPV12WB	TAPVALVE_12IN.	61670	\$964.82			
			\$106,632.16			
ESTIMATED DIRECT PURCHASE MATERIAL						
	ROCK, CONCRETE, BLACKTOP		\$ 10,000.00			
DIRECT PURCHASE MATERIAL TOTAL			\$ 10,000.00			

ATTACHMENT B

ATTACHMENT B
ESTIMATED CONSTRUCTION COST
8-INCH, SDR21 PVC, WATER MAIN
TWILIGHT TRAIL - JONES LANE

ITEM #				UNIT	
1	MOBILIZATION	1	LSUM	\$3,000.00	\$3,000.00
2	TIE TO EXISTING WATER MAIN	1	LSUM	\$2,000.00	\$2,000.00
3	12-INCH TAP SLEEVE	1	EACH	\$861.55	\$861.55
4	12-INCH TAP VALVE	1	EACH	\$964.82	\$964.82
5	VALVE BOX	1	EACH	\$36.25	\$36.25
6	8-INCH, 11 1/4 BEND	10	EACH	\$105.96	\$1,059.60
7	8-INCH, 22 1/2 BEND	16	EACH	\$100.41	\$1,606.56
8	8-INCH 45 BEND	8	EACH	\$138.18	\$1,105.44
9	INSTALL 8-INCH SDR21 PVC WATER MAIN	6,600	LF	\$8.25	\$54,450.00
10	8" D.I. PIPE IN STEEL CASING PIPE BORED & JACKED UNDER JONES LANE	40	LF	\$175.00	\$7,000.00
11	CONCRETE ENCASE 8-INCH PVC WATER MAIN	1	LSUM	\$2,000.00	\$2,000.00
12	DEMobilize	1	LSUM	\$2,000.00	\$2,000.00

	<u>\$76,084.22</u>
CONTINGENCY 10%	\$7,608.42
 GRAND TOTAL	 <u>\$83,692.64</u>

ATTACHMENT C

ATTACHMENT C

ESTIMATE OF MATERIAL COST

JONES LANE (STA. 257+10) TO EVERGREEN RD. STA (181+00)

ITEM #				UNIT	
1	12-INCH D.I. PIPE	7610	FT.	\$13.01	\$99,006.10
2	12-INCH 45 DEG. BEND	11	EACH	\$513.85	\$1,027.70
3	12-INCH 22 1/2 BEND	2	EACH	\$227.19	\$454.38
4	12-INCH 11 1/4 BEND	12	EACH	\$212.32	\$2,547.84
5	12-INCH GATE VALVE	10	EACH	\$696.97	\$6,969.70
6	12X6 TEE	10	EACH	\$405.53	\$4,055.30
7	HYDRANT VALVE	8	EACH	\$220.46	\$1,763.68
8	6-INCH PLUG	8	EACH	\$45.41	\$363.28
9	VALVE BOXES	18	EACH	\$36.25	\$652.50

SUBTOTAL \$116,840.48
CONTINGENCY \$11,684.04

GRAND TOTAL \$128,524.52

ATTACHMENT D

ATTACHMENT D
ESTIMATED REIMBURSEMENT COST
FROM S.A.W.D. TO PLANT BOARD
JONES LANE (STA 257+10) TO EVERGREEN ROAD (STA 181+00)

ITEM #				UNIT	
1	8-INCH, SRD21, PVC WATER MAIN	7610	LF	\$4.00	\$30,440.00
2	8-INCH GATE VALVE	2	EACH	\$352.84	\$705.68
3	8-INCH 45 DEG. BEND	2	EACH	\$138.18	\$276.36
4	8-INCH 22 1/2 BEND	2	EACH	\$100.41	\$200.82
5	8-INCH 11 1/4 BEND	12	EACH	\$105.96	\$1,271.52
6	VALVE BOX	2	EACH	\$36.25	\$72.50

SUBTOTAL	\$32,966.88
CONTINGENCY	\$3,296.69
GRAND TOTAL	\$36,263.57

ATTACHMENT E

ATTACHMENT E
ESTIMATED PARTICIPATION BY PLANT BOARD
EVERGREEN ROAD TO FRANKLIN/ANDERSON COUNTY LINE

ITEM #				UNIT	
1	C-900 PVC PIPE VERSUS SDR 21 PVC PIPE	12100	FT	\$2.55	\$30,855.00
2	8-INCH GATE VALVE	10	EACH	\$352.84	\$3,528.40
3	8X6 TEE	12	EACH	\$489.95	\$5,879.40
4	HYDRANT VALVE	12	EACH	\$220.46	\$2,645.52
5	6-INCH PLUG	12	EACH	\$45.41	\$544.92
6	VALVE BOX	22	EACH	\$36.25	\$797.50

SUBTOTAL	\$44,250.74
CONTINGENCY	\$4,425.01
GRAND TOTAL	\$48,675.75

**FRANKFORT ELECTRIC & WATER PLANT BOARD
CURRENT ELECTRIC & WATER RATES**

<p>ELECTRIC RATES</p> <p>R1 - RESIDENTIAL <u>CUSTOMER CHARGE (RATE 10)</u> \$ 2.59</p> <p><u>ENERGY CHARGE:</u> 0 - 100 KWH .05430 101-400 KWH .05450 OVER 400 KWH .04610</p>	<p>S-1 SECURITY LIGHTS (RATE 1)</p> <p>175 WATT (MERCURY VAPOR) \$ 6.90 PER MONTH 400 WATT (MERCURY VAPOR) \$ 8.90 PER MONTH 250 WATT (HIGH PRESSURE SODIUM) \$ 9.15 PER MONTH 100 WATT (HIGH PRESSURE SODIUM) \$ 5.75 PER MONTH 175 WATT (METAL HALIDE) \$ 5.90 PER MONTH</p>																					
<p>GS1 - GENERAL SERVICE <u>CUSTOMER CHARGE (RATE 15)</u> \$ 3.77</p> <p><u>ENERGY CHARGE:</u> 0-500 KWH .06810 501-2000 KWH .05740 OVER 2000 KWH .05290</p> <p><u>MINIMUM BILL:</u> EQUALS CUSTOMER CHARGE</p>	<p>M-1 MUNICIPAL STREET LIGHTING (RATE 2)</p> <p><u>CUSTOMER CHARGE:</u> \$3.75</p> <p>ALL KWH .05000 PER KWH (SAME AS CITY GOVERNMENT RATE)</p>																					
<p>GS1 - GENERAL SERVICE <u>CUSTOMER CHARGE (RATE 18)</u> \$ 3.77</p> <p><u>ENERGY CHARGE:</u> 0-500 KWH .06810 501-2000 KWH .05740 OVER 2000 KWH .05290</p> <p><u>MINIMUM BILL:</u> EQUALS CUSTOMER CHARGE</p>	<p>SIGNAL LIGHTS (RATE 2)</p> <p><u>CUSTOMER CHARGES:</u> \$ 3.75</p> <p>ALL KWH .05000 PER KWH (SAME AS CITY GOVERNMENT RATE)</p>																					
<p>LP - LARGE POWER (RATE 20) \$ 4.13 <u>ALL KW</u></p> <p><u>ENERGY CHARGE:</u> 0-500,000 KWH .03440 500,001-2,000,000 KWH .03190 OVER 2,000,000 KWH .03070</p> <p>POWER FACTOR CLAUSE APPLIES</p> <p><u>MINIMUM BILL:</u> \$ 4.13 x 25% OF THE HIGHEST KW IN THE PRECEDING 11 MONTHS BUT NOT LESS THAN 2 KW</p> <p>*INCLUDES TEMPORARY SUPPLEMENTAL MERGER CREDIT</p>	<p>FUEL ADJUSTMENT - ALL RATES WILL INCLUDE A PROVISION FOR FUEL ADJUSTMENT AT A MONTHLY RATE PER KWH AS DETERMINED FROM KU'S BILLING.</p> <table border="1"> <thead> <tr> <th>WATER RATES</th> <th>CITY W1</th> <th>COUNTY W2</th> </tr> </thead> <tbody> <tr> <td>MIN. 2,000 GAL.</td> <td>\$6.27 PER MONTH</td> <td>\$8.52 PER MONTH</td> </tr> <tr> <td>NEXT 3,000 GAL.</td> <td>\$3.14 PER 1,000 GAL.</td> <td>\$4.76 PER 1,000 GAL.</td> </tr> <tr> <td>NEXT 20,000 GAL.</td> <td>\$2.58 PER 1,000 GAL.</td> <td>\$2.58 PER 1,000 GAL.</td> </tr> <tr> <td>NEXT 175,000 GAL.</td> <td>\$2.12 PER 1,000 GAL.</td> <td>\$2.12 PER 1,000 GAL.</td> </tr> <tr> <td>NEXT 800,000 GAL.</td> <td>\$1.60 PER 1,000 GAL.</td> <td>\$1.60 PER 1,000 GAL.</td> </tr> <tr> <td>OVER 1,000,000 GAL.</td> <td>\$1.26 PER 1,000 GAL.</td> <td>\$1.26 PER 1,000 GAL.</td> </tr> </tbody> </table> <p>SEWER RATES EFFECTIVE 8/1/96</p> <p>RESIDENTIAL \$2.94 PER 1,000 GAL. COMMERCIAL \$2.94 PER 1,000 GAL. INDUSTRIAL \$3.14 PER 1,000 GAL.</p>	WATER RATES	CITY W1	COUNTY W2	MIN. 2,000 GAL.	\$6.27 PER MONTH	\$8.52 PER MONTH	NEXT 3,000 GAL.	\$3.14 PER 1,000 GAL.	\$4.76 PER 1,000 GAL.	NEXT 20,000 GAL.	\$2.58 PER 1,000 GAL.	\$2.58 PER 1,000 GAL.	NEXT 175,000 GAL.	\$2.12 PER 1,000 GAL.	\$2.12 PER 1,000 GAL.	NEXT 800,000 GAL.	\$1.60 PER 1,000 GAL.	\$1.60 PER 1,000 GAL.	OVER 1,000,000 GAL.	\$1.26 PER 1,000 GAL.	\$1.26 PER 1,000 GAL.
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<p>HLF HIGH LOAD FACTOR <u>LARGE POWER (RATE 21)</u></p> <p>ALL KW \$ 5.18 ALL KWH .02830</p> <p>POWER FACTOR CLAUSE APPLIES</p> <p><u>MINIMUM BILL:</u> \$5.18 x 25% OF THE HIGHEST KW IN THE PRECEDING 11 MONTHS BUT NOT LESS THAN 2 KW</p> <p>*INCLUDES TEMPORARY SUPPLEMENTAL MERGER CREDIT</p>	<p>FIRE SERVICE</p> <p>ALL FIRE HYDRANTS \$ 8.00 PER HYDRANT</p> <p><u>LINE SIZE</u></p> <p>2" LINE \$ 4.00 PER MONTH 3" LINE \$ 8.00 PER MONTH 4" LINE \$15.00 PER MONTH 6" LINE \$30.00 PER MONTH 8" LINE \$40.00 PER MONTH 10" LINE \$50.00 PER MONTH</p>																					
<p>M1 - LOCAL GOVERNMENT/SCHOOL <u>CUSTOMER CHARGE (RATE 2)</u> \$ 3.75</p> <p>ALL KWH .05000 PER KWH <u>MINIMUM BILL:</u> EQUALS CUSTOMER CHARGE</p> <p>M1 - CITY GOVERNMENT/SCHOOL <u>CUSTOMER CHARGE (RATE 19)</u> \$ 3.75</p> <p>ALL KWH .05000 PER KWH ALL KW 0</p> <p><u>MINIMUM BILL:</u> EQUALS CUSTOMER CHARGE</p>	<p>FIRE HYDRANT SALES \$ 3.00</p> <p>WHOLESALE WATER \$ 1.313</p> <p>WATER SALES & WATER LOADING STATIONS \$ 2.60</p> <p>GRATIS (WATER) \$.46</p> <p>GEORGETOWN WATER</p> <p>0 - 15,000,000 \$ 1.365 OVER 15,000,000 \$ 1.20</p>																					

MATHIS, RIGGS, PRATHER & DEAN, P.S.C.

ATTORNEYS AT LAW

500 MAIN STREET · P.O. BOX 1059
SHELBYVILLE, KENTUCKY 40066-1059

C. LEWIS MATHIS, JR.
T. SHERMAN RIGGS
DONALD T. PRATHER
MARK D. DEAN

HAROLD Y. SAUNDERS
OF COUNSEL

TELEPHONE: (502) 633-5220
FAX: (502) 633-0667

March 23, 1998

Mr. Warner Caines, General Manager
Frankfort Electric and Water Plant Board
315 West Second Street
Frankfort, KY-40601

Re: U. S. 60 Water District

Dear Mr. Caines:

Enclosed is a fully executed copy of the amendment to water supply contact dated March 11, 1998 between the Plant Board and U. S. 60 Water District. I would like to personally extend my sincere gratitude to you, your staff, and your Board for their prompt action on this matter. U. S. 60 Water District looks forward to many more years of our mutually beneficial relationship.

Yours truly,

MATHIS, RIGGS, PRATHER & DEAN, P.S.C.

By: 

Donald T. Prather

DTP/kr

Enclosures

cc: U. S. 60 Water District
Terry Loper, Rural Development

2wtr\60\Caines3.ltr

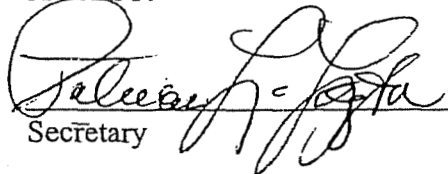
AMENDMENT TO
WATER SUPPLY CONTRACT

This amendment made and entered into this the 11th day of March, 1998, by and between ELECTRIC AND WATER PLANT BOARD OF THE CITY OF FRANKFORT, KENTUCKY, a governmental agency of the City of Frankfort, Kentucky, having the powers granted by Section 96.171 et. seq., Kentucky Revised Statutes, hereinafter referred to as "Board", and the U.S. 60 WATER DISTRICT OF SHELBY AND FRANKLIN COUNTIES, KENTUCKY, a water district created and existing under the Laws of the State of Kentucky, hereinafter referred to as "District";

The parties hereto, in consideration of the mutual duties and obligations herein created, have, and do hereby agree that Paragraph 9 of the Water Supply Contract dated July 13, 1992, previously entered in between these same parties, is hereby amended to read as follows:

"9. It is further mutually agreed and understood by and between the parties hereto that this Contract is to run for a period of forty-two (42) years beginning March 10, 1998 and thereafter may be renewed or extended for such term, or terms, as may be agreed upon by the Board and the District."

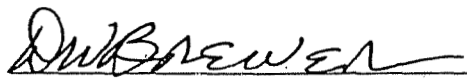
ATTEST:


Secretary

ELECTRIC AND WATER PLANT BOARD
OF THE CITY OF FRANKFORT, KY.

BY: E Bruce Dugan
Chairman

ATTEST:


Secretary

U.S. 60 WATER DISTRICT OF
SHELBY & FRANKLIN COUNTIES, KY.

BY: William Eggen
Chairman

TERRITORIAL AGREEMENT

THIS AGREEMENT made and entered into this 13th day of July, 1992, in Frankfort, Franklin County, Kentucky, by and between Electric and Water Plant Board of the City of Frankfort, Kentucky, a governmental agency of the City of Frankfort, Kentucky, having the powers granted by Section 96.171 et. seq., Kentucky Revised Statutes, hereinafter referred to as "Board", and the U.S. 60 Water District of Shelby and Franklin Counties, Kentucky, a water district created and existing under the laws of the State of Kentucky, hereinafter referred to as "District";

WHEREAS, the Board has recently constructed a water storage tank on the Pea Ridge Road in Franklin County, Kentucky; and

WHEREAS, the Board and the District wish to establish, by agreement, the water service area of each in the vicinity of the newly constructed water storage tank; and

WHEREAS, the Board and the District intend to enter into a long term water supply agreement wherein the Board shall supply water to the District; and

WHEREAS, the Board and the District wish to establish the territorial boundaries of each in this vicinity for the benefit of the customers.

WITNESSETH, NOW, THEREFORE, in consideration of the mutual covenants and conditions herein contained, the parties do now agree as follows:

1. The Board and the District agree that the Board

shall have the right to provide water to those customers that exist now or may in the future exist within the territorial boundaries hereinafter described and as more particularly described and reflected upon the attached territorial map which is incorporated herein and made a part hereof.

2. The parties hereto agree that the Eastern and Northern territorial boundary of the District shall be revised as follows:

Beginning at a point in the center of U.S. Highway 60 in the center of South Benson Creek; thence northwesterly to the intersection with KY Highway 1665 at the mean sea level elevation of 750 feet, thence with said 750 feet contour line in a northerly direction generally along the east side of said KY 1665 to a point said point being 1100 feet east of the centerline of KY 1665 and 1300 feet south of the centerline of Pea Ridge Road; thence north 800 feet to a point in the west property line of Dorothy Kirk, thence with said property line to the center of Pea Ridge Road, thence north to the center of Benson Creek; thence west along Benson Creek and North Benson creek to the Franklin-Shelby County line; thence south along said county line to a point one mile north of U.S. Highway 60; thence along the original boundary (May 11, 1961) to the point of beginning.

3. In the event of any discrepancy between the above territorial description and the attached territorial map that has been made a part hereof then the territorial map shall be controlling as to the parties respective water service area.

4. The parties hereto agree that this territorial agreement with attachments shall be filed with all necessary governmental agencies.


5. This territorial agreement constitutes the entire territorial agreement between the Board and the District and

prior negotiations and understandings are hereby superseded by this agreement. No amendment or alteration to this agreement shall be valid or binding unless reduced in writing and signed by both parties.

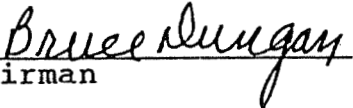
6. This agreement shall be governed by the laws of the Commonwealth of Kentucky and in the event of litigation, the same shall be brought in the Franklin Circuit Court of the Commonwealth of Kentucky.

IN TESTIMONY WHEREOF, the parties hereto have caused this agreement to be executed by its duly authorized officers on this the day and year first above written.

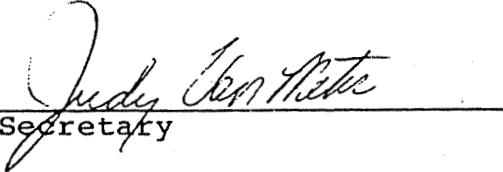
ATTEST:


Secretary

ELECTRIC AND WATER PLANT BOARD
OF THE CITY OF FRANKFORT, KY

BY: 
Chairman

ATTEST:


Secretary

U.S. 60 WATER DISTRICT OF
SHELBY & FRANKLIN COUNTIES, KY

BY: 
Chairman

Shelby & Franklin County's
Distribution Area

LENSON

Frankfort Elec. & Water
Plant Board Distribution
Area.

Area of Boundary by
Contour Elevation
(U.S.G.S. - EL 750)

Frankfort

Bridgeport

Sheet of 21

FRANKFORT ELECTRIC & WATER PLANT BOARD

FRANKFORT, KY.

REV.	DATE	BY	Frankfort Electric & Water Pl. Bd./ U.S. 60 Water District Distribution Area	
DRAWN BY		APPROVED BY		SCALE 1" = 200'
MAP NO.	NAME	NAME	DRAWING NO.	WORK ORDER NO.

WATER LINE EXTENSION AGREEMENT

THIS AGREEMENT, made and entered into this 13th day of July, 1992 in Frankfort, Franklin County, Kentucky, by and between Electric and Water Plant Board of the City of Frankfort, Kentucky, a governmental agency of the City of Frankfort, Kentucky, having the powers granted by Section 96.171 et. seq., Kentucky Revised Statutes; hereinafter referred to as "Board", and the U.S. 60 Water District of Shelby and Franklin Counties, Kentucky, a water district created and existing under the laws of the State of Kentucky, hereinafter referred to as "District";

WHEREAS, The District has a need for water supply; and

WHEREAS, the Board and the District intend to enter into a water supply agreement wherein the Board will supply water to the District; and

WHEREAS, the Board has recently constructed a water storage facility on the Pea Ridge Road, in Frankfort, Franklin County, Kentucky; and

WHEREAS, the location of the proposed facilities required for sale and delivery of water by the Board to the District are generally shown on a map marked exhibits A and B herewith.

WITNESSETH, NOW, THEREFORE, in consideration of the mutual covenants and conditions herein contained, the parties do now agree as follows:

1. The Board will construct from the entry to its water storage tank located on Pea Ridge Road, Franklin County,

Kentucky to a meter vault located on Pea Ridge Road at approximately 250 feet east of the center line of Kentucky Highway 1665 (Bryant Benson Road) a twelve inch ductile iron water line of approximately 10,560 feet. The District shall install the aforementioned meter vault in accordance with the Board's specifications and at the sole cost of the District. The District shall assign to the Board all easements the District has previously obtained along the route of the aforementioned twelve inch ductile iron water line and shall assist the Board in obtaining any other necessary easements.

2. The meter shall be a minimum four inch meter of the type specified by the Board which shall be installed by the Board and paid for by the District and located at the aforementioned new metering point near the intersection of Pea Ridge Road and Kentucky Highway 1665. This is in addition to the existing three inch meter which will remain at its existing metering point. The Board shall have the right to inspect and test said meters and any other meters later installed at any and all times.

3. The Board shall install a backflow preventer or back flow preventers which shall be paid for by the District and shall be located at such point or points as the Board shall designate, which said backflow preventers the Board shall have the right to inspect and test at any and all times.

4. The District agrees to pay to the Board the sum of \$70,485.00 (Seventy Thousand, four hundred and eighty five dollars) toward the installation and construction of the

aforementioned twelve inch ductile iron water line mentioned in paragraph one above. This is in addition to the District paying the entire costs of the meters and backflow preventers mentioned in paragraphs two and three above. The District agrees to pay the Board the \$70,485.00 and all other costs due the Board in two equal installments. The first installment being due within five days after the Board notifies the District in writing that 50% of the installation and construction of the water line has been completed. The remaining 50% is due within five days after the Board notifies the District in writing that the installation and construction has been completed.

5. The District also agrees to pay to the Board \$250.00 for each of the seventeen existing customers which the \$250.00 represents the county tap on fee. The District further agrees to supply the Board with the name and addresses of the aforementioned seventeen existing customers.

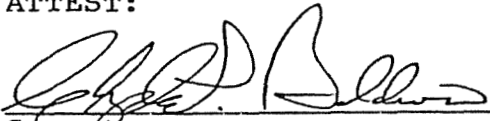
6. Any dispute that might arise between the Board and the District concerning the construction and installation of the twelve inch ductile iron pipe water line shall not relive the District of its obligation to pay when due those amounts mentioned herein.

7. This agreement constitutes the entire agreement between the parties and prior negotiations and understandings are hereby superseded by this agreement. No amendment or alteration to this agreement shall be valid or binding unless reduced in writing and signed by both parties.

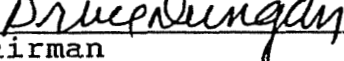
8. This agreement shall be governed by the laws of the Commonwealth of Kentucky and in the event of litigation the same shall be brought in the Franklin Circuit Court of the Commonwealth of Kentucky. The parties expressly agree that the prevailing party shall recover from the other party, in addition to taxable costs, all reasonable expenses and all reasonable attorney's fees incurred in connection with said litigation.

IN TESTIMONY WHEREOF, the parties hereto have caused this agreement to be executed by its duly authorized officers on this the day and year first above written.

ATTEST:


Secretary

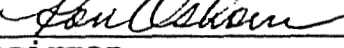
ELECTRIC AND WATER PLANT BOARD
OF THE CITY OF FRANKFORT, KY

BY: 
Chairman

ATTEST:


Secretary

U.S. 60 WATER DISTRICT OF
SHELBY & FRANKLIN COUNTIES, KY

BY: 
Chairman

WATER SUPPLY CONTRACT

THIS AGREEMENT made and entered into this the 13~~th~~ day of July, 1992, by and between ELECTRIC AND WATER PLANT BOARD OF THE CITY OF FRANKFORT, KENTUCKY, a governmental agency of the City of Frankfort, Kentucky, having the powers granted by Section 96.171 et. seq., Kentucky Revised Statutes, hereinafter referred to as "Board", and the U.S. 60 WATER DISTRICT OF SHELBY AND FRANKLIN COUNTIES, KENTUCKY, a water district created and existing under the Laws of the State of Kentucky, hereinafter referred to as "District";

WITNESSETH: That the parties hereto, in consideration of the mutual duties and obligations herein created, have, and do agree as follows:

1. The Board will make available to the District potable treated water meeting applicable purity standards of the appropriate regulatory agency(s) (presently the Kentucky Department for Natural Resources and Environmental Protection) in such quantity and at such pressure as the Board may have in its main at the service connection at the time of use, subject to the capacity and ability of the Board's system and facilities to furnish water to the Board's existing customers.

2. The Board under this Agreement is obligated to make water available to the facilities of the District.

3. The Board under this agreement has, and assumes no obligation whatever to furnish satisfactory quantity or

pressure for any particular service such as irrigation, fire protection, industrial or commercial use.

4. It is the intention of this contract that the Board will be a reliable, long-term supplier of water to the District, and that the District will be a reliable long-term purchaser of water from the Board. There is no present maximum purchase limit under this contract, it being the intention of the parties that the District may continue to increase its purchases under the contract until such time that the capacity of the Board's system can no longer reasonably supply the needs of the Board's then-existing customers plus an increase in the District's consumption. At that time the Board will notify the District that the District will thereafter have a maximum annual contractual limit equal to the amount purchased by the District during the previous calendar year. The Board will reasonably notify the District when the Board anticipates that a future limitation is likely to be imposed. The District will keep the Board reasonably advised of all significant extensions of other events which are likely to significantly affect the District's level of water purchases from the Board.

5. The District shall at all times pay the rates and charges for water as exist at the time of delivery under the then existing published rates, rules and regulations of the Board.

6. The water will be furnished the District through a meter or meters of the size and type specified by the Board,

which shall be installed by the Board and paid for by the District and located at such points or points as the Board shall designate at its main, which said meter or meters the Board shall have the right to inspect and test at any and all times. In the event any meter test, whether initiated by the Board or by the District, discloses any error compensation payable for water delivered shall be adjusted so as to compensate for the error.

7. The obligation of the Board to supply water hereunder is limited by the understanding that the Board shall only be required to use reasonable care and diligence in the operation and maintenance of its water supply system to prevent and avoid interruptions and fluctuations in the supply, and that it cannot and does not guarantee that such interruptions and fluctuation will not occur, or that because of emergencies due to breaks, leaks, defects or necessary repairs to its facilities, or fires, strikes, acts of God or other causes, there may not be periods during which the supply may be curtailed or interrupted. Emergency failures of pressure or supply due to main supply line breaks, power failure, flood, fire and use of water to fight fire, earthquake or other catastrophe shall excuse the Board from its supply obligations under this contract for such reasonable period of time as may be necessary to restore service. Temporary failures to deliver water shall be remedied with all possible dispatch. In the event of an extended shortage of water, or the supply of water available

to the Board is otherwise diminished over an extended period of time, the supply of water to the District shall be reduced or diminished in the same ratio or proportion as the supply to the Board's other customers is reduced or diminished.

8. The present published Rates, Rules and Regulations of the Board relating to water service are attached and made a part hereof.

9. It is further mutually agreed and understood by and between the parties hereto that this contract is to run for a period of 42 years from the date of execution and entry as specified in the first paragraph of this Agreement and thereafter may be renewed or extended for such term, or terms, as may be agreed upon by the Board and the District.

10. Any successor of the Board or the District, whether the result of legal process, assignment or otherwise, shall succeed to the rights and obligations of the Board or District hereunder.

11. The District will purchase on a calendar year basis (December to December meter reading date) an amount of water equal to fifty percent (50%) of the average amount of water purchased by the District from the Board during the preceding three calendar years. The District will be relieved from this minimum purchase requirement if the remaining duration of this contract becomes twenty years or less.

12. In the event the Board fails to abide by the terms and conditions of this agreement and/or fails to abide by its' Rates, Rules and Regulations then this agreement may be

terminated by the District prior to its expiration upon written notice to the Board.

13. In the event the District fails to abide by the terms and conditions of this agreement and/or fails to abide by the Board's Rate, Rules and Regulations, then this agreement may be terminated by the Board prior to its' expiration upon written notice to the District.

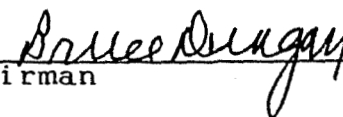
14. This contract replaces all previous or existing agreements between these parties and constitutes the sole and complete agreement as to the sale, provision and purchase of water.

IN TESTIMONY WHEREOF, the parties hereto have caused this Agreement to be executed by its duly authorized officers, on this the day and year first above written.

ATTEST:


Secretary

ELECTRIC AND WATER PLANT BOARD
OF THE CITY OF FRANKFORT, KY

BY: 
Chairman

ATTEST:


Secretary

U.S. 60 WATER DISTRICT OF
SHELBY & FRANKLIN COUNTIES, KY

BY: 
Chairman

This contract is approved on behalf of the Farmers Home Administration on this _____ day of _____, 1992.

By: _____

Title: _____

CONTRACT

THIS CONTRACT made and entered into on this the 21st day of June, 1984, by and between the ELECTRIC AND WATER PLANT BOARD OF THE CITY OF FRANKFORT, KENTUCKY, a governmental agency of the City of Frankfort, Kentucky, having the powers granted by Section 96.171 et. seq., Kentucky Revised Statutes, hereinafter referred to as "Board", and the U. S. 60 WATER DISTRICT of FRANKLIN AND SHELBY COUNTY, KENTUCKY, hereinafter referred to as "District";

WITNESSETH, that the parties hereto have, and do agree between themselves as follows:

1. The Board will make available to the District water in such quantity and at such pressure as it may have in its main at the hereinafter designated service connection at the time of use but not to exceed more than 150 gallons per minute or six million gallons per month, with, however, pumping from the main, to be at regular pumping periods at the time or times designated by the Board.
2. The Board shall have the option to furnish electric power for all the uses of the District at the existing published rates of the Board at time of service.
3. The Board under this contract is obligated to make water available only to the facilities of the District.
4. The Board in agreeing to furnish water to the District is acting on a friendly and neighborly basis, and in an effort to assist the residents of the District to have water service, and the District shall have the right to cancel and terminate this contract at any time it desires on sixty (60) days written notice to the Board.
5. The Board under this contract has, and assumes no obligation whatever to furnish satisfactory quantity or pressure for any particular service such as irrigation, fire protection, industrial or commercial use.
6. The District shall at all times pay the rates and charges for water as exist at the time of delivery of water prescribed under the then existing published rates, rules and regulations of the Board.
7. The Board shall deliver and make such water available to the District at the end of its existing line in or near Bridgeport, Kentucky. It will furnish through a meter or meters of the size and type specified by the Board, which shall be furnished by the Board at the cost of the District, and the cost of installation and maintenance of such meters shall be by the Board at the cost of the District. Such meter or meters shall be located at such point or points as the Board shall designate. Said meter or meters shall remain the property of the Board, and subject to maintenance, inspection and testing by the Board at the cost of the District. If water be pumped by the district from said main, any such pump shall be of the size determined by the Board, and located where and operated as the Board shall direct.

8. The obligation of the Board to supply water hereunder is further limited by the understanding that the Board shall only be required to use reasonable care and diligence in the operation and maintenance of its existing system to prevent and avoid interruptions and fluctuations in the supply, and that it cannot and does not guarantee that such interruptions and fluctuations will not occur, or that because of emergencies due to breaks, leaks, defects or necessary repairs to its facilities, or the normal demand on its system, or fires, strikes, acts of God or other causes there may not be periods during which the supply may be curtailed or interrupted.

9. The present Rates, Rules and Regulations of the Board relating to water service are attached hereto and made of a part hereof. Whenever feasible and practical the Board shall give the District sixty (60) days advance notice of any rate increase. In the event that the Board, at its sole discretion, determines that said 60 day notice is not feasible or practical, the Board shall notify the District of any such rate increase in as timely manner as is possible.

10. It is further mutually agreed and understood by and between the parties hereto that this contract is for a term of 40 years from this date, with an option to renew for an additional period of 20 years, provided the Plant Board continues to be in operation during this time period.

IN TESTIMONY WHEREOF, The parties hereto and executed this contract by and through their respective representatives duly authorized so to you on this the 21 day of June, 1984.

ATTEST:

ELECTRIC AND WATER PLANT BOARD OF THE CITY OF
FRANKFORT, KENTUCKY

Helen F. Holmes

SECRETARY

BY

James J. Moore

CHAIRMAN

ATTEST:

U.S. WATER DISTRICT OF FRANKLIN AND SHELBY
COUNTIES, KENTUCKY

Ronald Rubin

SECRETARY

BY

James W. Medley

CHAIRMAN

14
14
7424

#28

A G R E E M E N T

THIS AGREEMENT made and entered into on this the 15th day of May, 1964, by and between the ELECTRIC AND WATER PLANT BOARD OF THE CITY OF FRANKFORT, KENTUCKY, a governmental agency of the City of Frankfort, Kentucky, having the powers granted by Section 96.171 et. seq., Kentucky Revised Statutes, hereinafter referred to as "Board", and the U. S. 60 WATER DISTRICT of FRANKLIN AND SHELBY COUNTY, KENTUCKY, a water district created and existing under the laws of the State of Kentucky, hereinafter referred to as "District";

WITNESSETH, that the parties hereto have, and do agree between themselves as follows:

1. The Board will make available to the District water in such quantity and at such pressure as it may have in its main at the hereinafter designated service connection at the time of use but not to exceed more than 150 gallons per minute or one million gallons per month, with, however, pumping from the main, to be at regular pumping periods at the time or time designated by the Board, not to exceed 10 hours per day.

2. The Board shall have the option to furnish electric power for all the uses of the District at the existing published rates of the Board at time of service.

3. The Board under this agreement is obligated to make water available only to the facilities of the District.

4. The Board in agreeing to furnish water to the District is acting on a friendly and neighborly basis, and in an effort to assist the residents of the District to have water service, and the District shall have the right to cancel and terminate this contract at any time it desires on sixty (60) days written notice to the Board.

5. The Board under this agreement has, and assumes no obligation whatever to furnish satisfactory quantity or pressure for any particular service such as irrigation, fire protection, industrial or commercial use.

to be executed by its duly authorized officers, on this the day and year first above written.

ATTEST:



Secretary

ELECTRIC AND WATER PLANT BOARD OF
THE CITY OF FRANKFORT, KENTUCKY



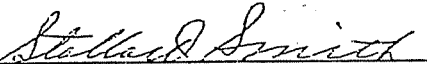
By _____
Chairman

ATTEST:



Secretary

U. S. 60 WATER DISTRICT OF FRANKLIN
AND SHELBY COUNTY, KENTUCKY

By 

FRANKFORT ELECTRIC & WATER PLANT BOARD

FRANKFORT, KENTUCKY

RATES
WATER SERVICE

Effective December Billing Period, 1960.

Applicable to:

All Water Service.

<u>Rate:</u>	<u>City</u>	<u>Rural (Outside City Limits)</u>
First 5,000 gallons per month @	\$.30 /M gal.	\$.40
Next 20,000 gallons per month @	.20 /M gal.	.20
Next 175,000 gallons per month @	.15 /M gal.	.15
Next 800,000 gallons per month @	.12 /M gal.	.12
Excess @	10 /M gal.	.10

Minimum Bill:

5/8 and 3/4" Meters	\$ 1.00 Month	1.25
1" Meters	1.50 Month	1.50
1-1/2" Meters	2.50 Month	2.50
2" Meters	5.00 Month	5.00
3" Meters	10.00 Month	10.00
4" Meters	20.00 Month	20.00
6" Meters	30.00 Month	30.00
8" Meters	50.00 Month	50.00

Booster Pumping (Outside City) -Plus- 20% and in no case shall it be less than 3¢ per thousand gallons.

Fire Hydrants - Per Hydrant \$ 10.00 per year.

Sprinkler Service and Private Fire Hydrants:

Effective Date 3-1-48

Size of Service - 2"	\$ 12.00 per year.
Size of Service - 4"	\$ 30.00 per year.
Size of Service - 6"	\$ 60.00 per year.
Size of Service - 8"	\$100.00 per year.

Terms of Payment:

The above rates are Net and apply on all bills paid within ten (10) days from date thereof. On all bills not so paid an additional charge of 10% of the amount billed will be made.

Special Provision:

Board reserves the right to curtail the use of water under unusual circumstances or emergencies.

Customer requesting water meter for Seasonal or Temporary use must pay to the Board a charge of \$100.00 for the meter installation. Rates are applicable for the succeeding twelve months period. Further, the customer shall contact the Municipal Sewer Board in regard to exemption on sewer rental and the Municipal Sewer Board shall direct the Plant Board to exempt sewer charge for such service.

6. The District shall at all times pay the rates and charges for water as exist at the time of delivery of water prescribed under the then existing published rates, rules and regulations of the Board.

7. The Board shall deliver and make such water available to the District at the end of its existing line in or near Bridgeport, Kentucky. It will be furnished through a meter or meters of the size and type specified by the Board, which shall be furnished and maintained by the District and located at such point or points as the Board shall designate, which said meter or meters the Board shall have the right to inspect and test at any and all times. If the water be pumped by the District from said main, any such pump shall be of the size determined by the Board and located where the Board shall direct.

8. The obligation of the Board to supply water hereunder is further limited by the understanding that the Board shall only be required to use reasonable care and diligence in the operation and maintenance of its existing system to prevent and avoid interruptions and fluctuations in the supply, and that it cannot and does not guarantee that such interruptions and fluctuations will not occur, or that because of emergencies due to breaks, leaks, defects or necessary repairs to its facilities, or the normal demand on its system, or fires, strikes, acts of God or other causes there may not be periods during which the supply may be curtailed or interrupted.

9. The present published Rates, Rules and Regulations of the Board relating to water service are attached hereto and made a part hereof.

10. It is further mutually agreed and understood by and between the parties hereto that this contract is to run for a period of 20 years from its date, with an option to renew for an additional period of 20 years.

11. The District agrees to provide/^{elevated} storage for 150,000 gallons of water so as to reduce the peak flow on the system of the Board.

IN TESTIMONY WHEREOF, the parties hereto have caused this agreement

AMENDMENT TO
WATER SUPPLY CONTRACT

This amendment made and entered into this the 14 day of April, 1998, by and between ELECTRIC AND WATER PLANT BOARD OF THE CITY OF FRANKFORT, KENTUCKY, a governmental agency of the City of Frankfort, Kentucky, having the powers granted by Section 96.171 et. seq., Kentucky Revised Statutes, hereinafter referred to as "Board", and the NORTH SHELBY WATER COMPANY, a water company created and existing under the Laws of the State of Kentucky, hereinafter referred to as "Company";

The parties hereto, in consideration of the mutual duties and obligations herein created, have, and do hereby agree that Paragraph 9 of the Water Supply Contract dated July 13, 1992, previously entered in between these same parties, is hereby amended to read as follows:

"9. It is further mutually agreed and understood by and between the parties hereto that this Contract is to run for a period of forty-two (42) years beginning April 14, 1998 and thereafter may be renewed or extended for such term, or terms, as may be agreed upon by the Board and the Company."

ATTEST:

William L. Tingle
Secretary

ELECTRIC AND WATER PLANT BOARD
OF THE CITY OF FRANKFORT, KY.

BY: E. Bruce Dungan
Chairman

ATTEST:

Robert R. [Signature]
Secretary

NORTH SHELBY WATER COMPANY

BY: Duncan R. [Signature]
President

2WTRVAMWTRSUP.2TC

SIDE LETTER AGREEMENT

This Side Letter Agreement made and entered into this 13th day of July, 1992, by and between ELECTRIC AND WATER PLANT BOARD OF THE CITY OF FRANKFORT, KENTUCKY, a governmental agency of the City of Frankfort, Kentucky and NORTH SHELBY WATER COMPANY;

In connection with the execution of the Water Supply Contract of even date herewith by and between the parties, the parties agree that the water to be furnished to the Company under that Water Supply Contract shall be furnished through a four-inch meter at the existing metering point in or near Frankfort, Kentucky.

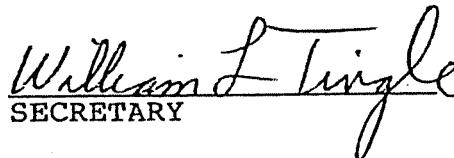
ATTEST:


SECRETARY

ELECTRIC AND WATER PLANT BOARD
OF THE CITY OF FRANKFORT, KY

BY: Bruce Dungan
CHAIRMAN

ATTEST:


SECRETARY

NORTH SHELBY WATER COMPANY

BY: Jessie L. Compton
PRESIDENT

This Side Letter Agreement is approved on behalf of the Farmers Home Administration on this the ___ day of _____, 1992.

By: _____

Title: _____

WATER SUPPLY CONTRACT

THIS AGREEMENT made and entered into this the 13th day of July, 1992, by and between ELECTRIC AND WATER PLANT BOARD OF THE CITY OF FRANKFORT, KENTUCKY, a governmental agency of the City of Frankfort, Kentucky, having the powers granted by Section 96.171 et. seq., Kentucky Revised Statutes, hereinafter referred to as "Board", and the NORTH SHELBY WATER COMPANY, hereinafter referred to as "Company";

WITNESSETH: That the parties hereto, in consideration of the mutual duties and obligations herein created, have, and do agree as follows:

1. The Board will make available to the Company potable treated water meeting applicable purity standards of the appropriate regulatory agency(s) (presently the Kentucky Department for Natural Resources and Environmental Protection) in such quantity and at such pressure as the Board may have in its main at the service connection at the time of use, subject to the capacity and ability of the Board's system and facilities to furnish water to the Board's existing customers.

2. The Board under this Agreement is obligated to make water available to the facilities of the Company.

3. The Board under this agreement has, and assumes no obligation whatever to furnish satisfactory quantity or pressure for any particular service such as irrigation, fire protection, industrial or commercial use.

4. It is the intention of this contract that the Board will be a reliable, long-term supplier of water to the Company, and that the Company will be a reliable long-term purchaser of water from the Board. There is no present maximum purchase limit under this contract, it being the intention of the parties that the Company may continue to increase its purchases under the contract until such time that the capacity of the Board's system can no longer reasonably supply the needs of the Board's then-existing customers plus an increase in the Company's consumption. At that time the Board will notify the Company that the Company will thereafter have a maximum annual contractual limit equal to the amount purchased by the Company during the previous calendar year. The Board will reasonably notify the Company when the Board anticipates that a future limitation is likely to be imposed. The Company will keep the Board reasonably advised of all significant extensions of other events which are likely to significantly affect the Company's level of water purchases from the Board.

5. The Company shall at all times pay the rates and charges for water as exist at the time of delivery under the then existing published rates, rules and regulations of the Board.

6. The water will be furnished the Company through a meter or meters of the size and type specified by the Board, which shall be installed by the Board and paid for by the Company and located at such points or points as the Board

shall designate at its main, which said meter or meters the Board shall have the right to inspect and test at any and all times. In the event any meter test, whether initiated by the Board or by the Company, discloses any error compensation payable for water delivered shall be adjusted so as to compensate for the error.

7. The obligation of the Board to supply water hereunder is limited by the understanding that the Board shall only be required to use reasonable care and diligence in the operation and maintenance of its water supply system to prevent and avoid interruptions and fluctuations in the supply, and that it cannot and does not guarantee that such interruptions and fluctuation will not occur, or that because of emergencies due to breaks, leaks, defects or necessary repairs to its facilities, or fires, strikes, acts of God or other causes, there may not be periods during which the supply may be curtailed or interrupted. Emergency failures of pressure or supply due to main supply line breaks, power failure, flood, fire and use of water to fight fire, earthquake or other catastrophe shall excuse the Board from its supply obligations under this contract for such reasonable period of time as may be necessary to restore service. Temporary failures to deliver water shall be remedied with all possible dispatch. In the event of an extended shortage of water, or the supply of water available to the Board is otherwise diminished over an extended period of time, the supply of water to the Company shall be reduced

or diminished in the same ratio or proportion as the supply to the Board's other customers is reduced or diminished.

8. The present published Rates, Rules and Regulations of the Board relating to water service are attached and made a part hereof.

9. It is further mutually agreed and understood by and between the parties hereto that this contract is to run for a period of 42 years from the date of execution and entry as specified in the first paragraph of this Agreement and thereafter may be renewed or extended for such term, or terms, as may be agreed upon by the Board and the Company.

10. Any successor of the Board or the Company, whether the result of legal process, assignment or otherwise, shall succeed to the rights and obligations of the Board or Company hereunder.

11. The Company will purchase on a calendar year basis (December to December meter reading date) an amount of water equal to fifty percent (50%) of the average amount of water purchased by the Company from the Board during the preceding three calendar years. The Company will be relieved from this minimum purchase requirement if the remaining duration of this contract becomes twenty years or less.


12. In the event the Board fails to abide by the terms and conditions of this agreement and/or fails to abide by its' Rates, Rules and Regulations then this agreement may be terminated by the Company prior to its expiration upon written notice to the Board.

13. In the event the Company fails to abide by the terms and conditions of this agreement and/or fails to abide by the Board's Rate, Rules and Regulations, then this agreement may be terminated by the Board prior to its' expiration upon written notice to the Company.

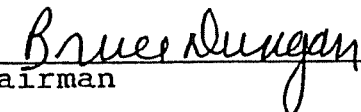
14. This contract replaces all previous or existing agreements between these parties and constitutes the sole and complete agreement as to the sale, provision and purchase of water.

IN TESTIMONY WHEREOF, the parties hereto have caused this Agreement to be executed by its duly authorized officers, on this the day and year first above written.

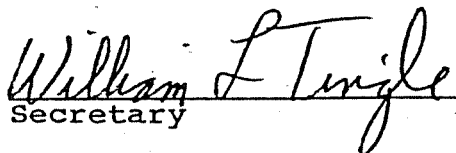
ATTEST:


Secretary

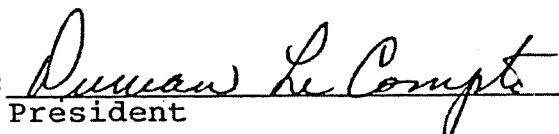
ELECTRIC AND WATER PLANT BOARD
OF THE CITY OF FRANKFORT, KY

BY: 
Chairman

ATTEST:


Secretary

NORTH SHELBY WATER COMPANY

BY: 
President

This contract is approved on behalf of the Farmers Home Administration on this _____ day of _____, 1992.

By: _____

Title: _____

A G R E E M E N T

THIS AGREEMENT made and entered into on this the 31 day of July 1979, by and between the ELECTRIC AND WATER PLANT BOARD OF THE CITY OF FRANKFORT, KENTUCKY, a governmental agency of the City of Frankfort, Kentucky, having the powers granted by Section 96.171 et. seq., Kentucky Revised Statutes, hereinafter referred to as "Board", and the NORTH SHELBY WATER COMPANY, a non-profit corporation created and existing under the Laws of the State of Kentucky, hereinafter referred to as "Company";

WITNESSETH: That the parties hereto, in consideration of the mutual duties and obligations herein created, have, and do agree as follows:

1. The Board will make available to the Company water in only such quantity and at such pressure as it may have in its main at the service connection at the time of use but not to exceed more than 300 gallons per minute or ten million gallons per month, with, however, pumping from the main, if done by the Company, done at regular pumping periods to be designated by the Board.

2. The Board under this agreement is obligated to make water available only to the facilities of the Company.

3. The Board in agreeing to furnish water to the Company is acting on a friendly and neighborly basis and in an effort to assist the residents of the Company to have water service, and agrees to release the Company from this contract at any time the Company desires on Sixty (60) days written notice to the Board.

4. The Board under this agreement has, and assumes no obligation whatever to furnish satisfactory quantity or pressure for any particular service such as irrigation, fire protection, industrial or commercial use.

5. The Company shall at all times pay the rates and charges for water as exist at the time of delivery under the then existing published rates, rules and regulations of the Board.

6. The water will be furnished the Company through a meter or meters of the size and type specified by the Board, which shall be furnished and maintained by the Company and located at such point or points as the Board shall designate on its main, which said meter or meters the Board shall have the right to inspect and test at any and all times. In the event any meter test, whether initiated by the Board or by the Company, discloses any substantial error compensation payable for water delivered shall be adjusted so as to compensate for the error.

7. The obligation of the Board to supply water hereunder is further limited by the understanding that the Board shall only be required to use reasonable care and diligence in the operation and maintenance of its existing system to prevent and avoid interruptions and fluctuations in the supply, and that it cannot and does not guarantee that such interruptions and fluctuations will not occur, or that because of emergencies due to breaks, leaks, defects or necessary repairs to its facilities, or the normal demand on its system, or fires, strikes, acts of God or other causes there may not be periods during which the supply may be curtailed or interrupted. (Continues on next page.)

8. The present published Rates, Rules and Regulations of the Board relating to water service are attached hereto and made a part hereof.

9. It is further mutually agreed and understood by and between the parties hereto that this contract is to run for a period of 20 years from the date of initial delivery of water hereunder, with an option to renew for an additional period of 20 years.

10. Service shall begin as of the date of the completion and placing in service of the Company's water distribution system.

11. Any successor of the Board or the Company, whether the result of legal process, assignment or otherwise, shall succeed to the rights of the Board or Company hereunder.

IN TESTIMONY WHEREOF, the parties hereto have caused this agreement to be executed by its duly authorized officers, on this the day and year first above written.

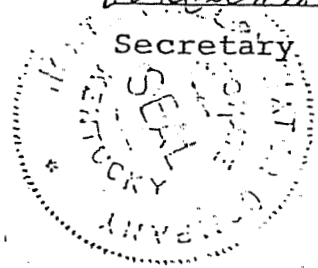
ATTEST:

Secretary

ATTEST:

William J. Tingle

Secretary



ELECTRIC AND WATER PLANT BOARD OF
THE CITY OF FRANKFORT, KENTUCKY

BY: *[Signature]*

Chairman

NORTH SHELBY WATER COMPANY

BY: *J. W. Miles*

President

FmHA Concurs: 7-31-79
Robert W. Letton
COMMUNITY PROGRAMS SPECIALIST

A G R E E M E N T

THIS AGREEMENT made and entered into on this the 10th day of November, 1992, by and between ELECTRIC AND WATER PLANT BOARD OF THE CITY OF FRANKFORT, KENTUCKY, a governmental agency of the City of Frankfort, Kentucky, having the powers granted by Section 96.171 et. seq., Kentucky Revised Statutes, hereinafter referred to as "Board," and the ELKHORN WATER DISTRICT, a water district created and existing under the Laws of the State of Kentucky, hereinafter referred to as "District;"

WITNESSETH: That the parties hereto, in consideration of the mutual duties and obligations herein created, have, and do agree as follows:

1. The Board will make available to the District water in such quantity and at such pressure as it may have in its main at the service connection at the time of use subject only to the capacity and ability of the Board's system and facilities to furnish water to the District and other customers.

2. The Board under this agreement is obligated to make water available only to the facilities of the District.

3. The Board in agreeing to furnish water to the District is acting on a friendly and neighborly basis and in an effort to assist the residents of the Districts to have water service, and

agrees to release the District from this contract at any time the District desires on Sixty (60) days written notice to the Board.

4. The Board under this agreement has, and assumes no obligation whatever to furnish satisfactory quantity or pressure for any particular service such as irrigation, fire protection, industrial or commercial use.

5. The District shall at all times pay the rates and charges for water as exist at the time of delivery under the then existing published rates, rules and regulations of the Board.

6. The water will be furnished the District through a meter or meters of the size and type specified by the Board, which shall be furnished and maintained by the District and located at such points or points as the Board shall designate at its main, which said meter or meters the Board shall have the right to inspect and test at any and all times. In the event any meter test, whether initiated by the Board or by the District, discloses any substantial error compensation payable for water delivered shall be adjusted so as to compensate for the error.

7. Emergency failures of pressure or supply due to main supply line breaks, power failure, flood, fire and use of water to fight fire, earthquake or other catastrophe shall excuse the Board from this provision for such reasonable period of time as may be necessary to restore service.

8. The present published Rates, Rules and Regulations of the Board relating to water service are attached hereto and made a part hereof. The initial rate for purchased water will be 98 cents per thousand gallons. The initial rate is for all water purchased regardless of total volume. Additionally, it is acknowledged and agreed that the rate charged by the Board will be raised or lowered as proportionally as rates for the Board's regular customers are raised or lowered.

9. It is further mutually agreed and understood by and between the parties hereto that this contract is to run for a period of 42 years from the date of execution and entry as specified in the first paragraph of this Agreement and thereafter may be renewed or extended for such term, or terms, as may be agreed upon by the Board and the District.

10. Any successor of the Board or the District, whether the result of legal process, assignment or otherwise, shall succeed to the rights of the Board or District hereunder.

11. This contract replaces all previous or existing agreements between these parties and constitutes the sole and complete agreement as to their sale, provision and purchase of water.

IN TESTIMONY WHEREOF, the parties hereto have caused this agreement to be executed by its duly authorized officers, on this the day and year first above written.

ATTEST:

[Signature]
Secretary

ELECTRIC AND WATER PLANT BOARD OF
THE CITY OF FRANKFORT, KENTUCKY

By *[Signature]*
Chairman

ATTEST:

[Signature]
Secretary

ELKHORN WATER DISTRICT

By *[Signature]*
Chairman

~~CONFIDENTIAL~~

THIS AGREEMENT made and entered into on this the 6th day of June, 1995, by and between ELECTRIC AND WATER PLANT BOARD OF THE CITY OF FRANKFORT, KENTUCKY, a governmental agency of the City of Frankfort, Kentucky, having the powers granted by Section 96.171 et. seq., Kentucky Revised Statutes, hereinafter referred to as "Board", and the Peaks Mill Water District, a water district created and existing under the Laws of the State of Kentucky, hereinafter referred to as "District;"

WITNESSETH: That the parties hereto, in consideration of the mutual duties and obligations herein created, have, and do agree as follows:

1. The Board will make available to the District water in such quantity and at such pressure as it may have in its main at the service connection at the time of use subject only to the capacity and ability of the Board's system and facilities to furnish water to the District and other customers.

2. The Board under this agreement is obligated to make water available only to the facilities of the District.

3. The Board in agreeing to furnish water to the District is acting on a friendly and neighborly basis and in an effort to assist the residents of the Districts to have water service, and agrees to release the District from this contract at any time the District desires on Sixty (60) days written notice to the Board.

4. The Board under this agreement has, and assumes no obligation whatever to furnish satisfactory quantity or pressure for any particular service such as irrigation, fire protection, industrial or commercial use.

5. The District shall at all times pay the rates and charges for water as exist at the time of delivery under the then existing published rates, rules and regulations of the Board.

6. The water will be furnished the District through a meter or meters of the size and type specified by the Board, which shall be furnished and maintained by the District and located at such point or points as the Board shall designate at its main, which said meter or meters the Board shall have the right to inspect and test at any and all times. In the event any meter test, whether initiated by the Board or by the District, discloses any substantial error compensation payable for water delivered shall be adjusted so as to compensate for the error.

7. Emergency failures of pressure or supply due to main supply line breaks, power failure, flood, fire and use of water to fight fire, earthquake or other catastrophe shall excuse the Board from this provision for such reasonable period of time as may be necessary to restore service.

8. The present published Rates, Rules and Regulations of the Board relating to water service are attached hereto and made a part hereof. The initial rate for purchased water will be \$1.03 cents per thousand gallons. The initial rate is for all water purchased regardless of total volume. Additionally,

it is acknowledged and agreed that the rate charged by the Board will be raised or lowered as proportionally as rates for the Board's regular customers are raised or lowered.

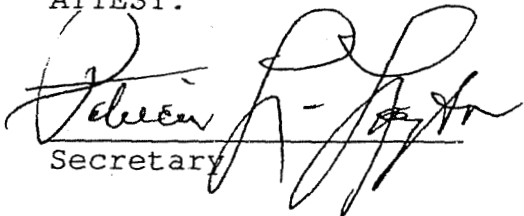
9. It is further mutually agreed and understood by and between the parties hereto that this contract is to run for a period of 42 years from the date of execution and entry as specified in the first paragraph of this Agreement and thereafter may be renewed or extended for such term, or terms, as may be agreed upon by the Board and the District.

10. Any successor of the Board or the District, whether the result of legal process, assignment or otherwise, shall succeed to the rights of the Board or District hereunder.

11. This contract replaces all previous or existing agreements between these parties and constitutes the sole and complete agreement as to their sale, provision and purchase of water.

IN TESTIMONY WHEREOF, the parties hereto have caused this agreement to be executed by its duly authorized officers, on this day and year first above written.

ATTEST:

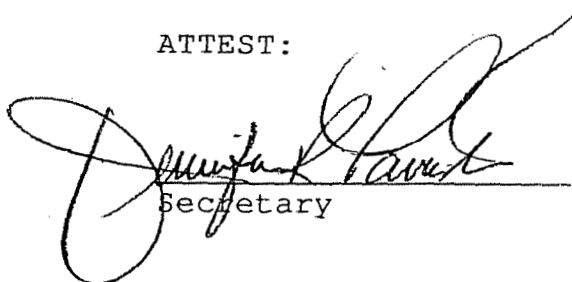

Secretary

ELECTRIC AND WATER PLANT BOARD
OF THE CITY OF FRANKFORT KENTUCKY

BY:

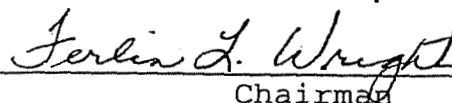

Chairman

ATTEST:


Secretary

PEAKS MILL WATER DISTRICT

BY:


Chairman

A M E N D E D A G R E E M E N T

THIS AMENDED AGREEMENT made and entered into on this the 6th day of November, 1995, by and between the ELECTRIC AND WATER PLANT BOARD OF THE CITY OF FRANKFORT, KENTUCKY, a governmental agency of the City of Frankfort, Kentucky, having the powers granted by Section 96.171 et. seq., Kentucky Revised Statutes, hereinafter referred to as "Board", and the Peaks Mill Water District, a water district created and existing under the Laws of the State of Kentucky, hereinafter referred to as "District";

WITNESSETH: That in recognition of the requirements of 7 C.F.R. 1942.18, and since it was the intention of the parties that the AGREEMENT as initially entered on June 6, 1995, was to comply with federal requirements so that the District would be able to qualify for federal funding, and in consideration of the mutual duties and obligations herein created, the parties hereto, have, and do agree as follows:

1. The Board will furnish the water required by the District at the current point of delivery or as otherwise mutually agreed, and in the case of water shortages, all of the Board's users will share proportionately.

2. The terms of the AGREEMENT dated June 6, 1995, entered into between the Board and the District are ratified and adopted as if fully restated herein.

IN TESTIMONY WHEREOF, the parties hereto have caused this AMENDED AGREEMENT to be executed by its duly authorized officers, on this day and year first above written.

ATTEST:

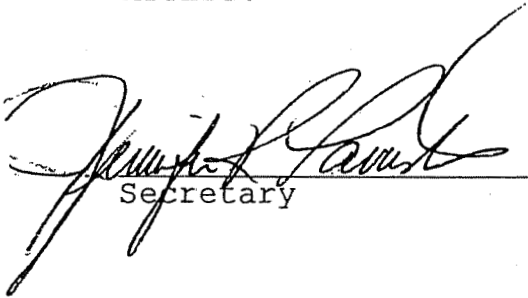
ELECTRIC AND WATER PLANT BOARD
OF THE CITY OF FRANKFORT KENTUCKY


Secretary

BY: Bruce Dungan

ATTEST:

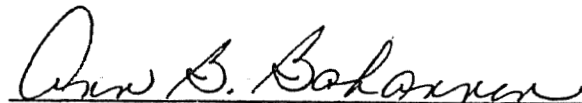
PEAKS MILL WATER DISTRICT


Secretary

BY: Jerlin L. Wright

Certification

I hereby certify this to be a true and accurate copy. I am the custodian of records for the Electric and Water Plant Board of the City of Frankfort, Kentucky.


Ann B. Bohannon, Executive Assistant
Electric and Water Plant Board of the
City of Frankfort, Kentucky

RESOLUTION OF THE ELECTRIC AND WATER PLANT
BOARD OF THE CITY OF FRANKFORT, KENTUCKY
REGARDING THE WATER SUPPLY CONTRACT
WITH THE PEAKS MILL WATER DISTRICT
AND AMENDMENT THERETO

This Resolution of the Electric and Water Plant Board of the City of Frankfort, Kentucky ("Plant Board") confirms and approves actions taken or to be taken, as described herein, by and on behalf of the Plant Board in connection with the water supply contract with the Peaks Mill Water District, Franklin County, Kentucky, ("District") as initially entered into between the parties on June 6, 1995, and as to ratification of the contract and amendment thereto;

WHEREAS, the Plant Board finds that it is to its best interest to amend the June 6, 1995 contract between the Plant Board and the District to include language sufficient to comply with federal requirements, and to clearly state the Plant Board's commitment to provide a proportional share of water service to the District in times of shortage, and;

WHEREAS, the District has been notified by letter that funding approval is contingent upon compliance with a request from Rural Economic and Community Development that the water supply contract be modified and amended to comply with certain requirements of 7 C.F.R. 1942.18 to specifically state the commitment of the supplier "to furnish, at a specified point, an adequate quantity of water or other service, and to provide that, in case of shortages, all of the supplier's users will share proportionately...", and;

WHEREAS, it is necessary that there be a resolution regarding the adoption of the contract as amended, and;

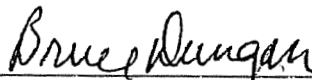
WHEREAS, the Electric and Water Plant Board of the City of Frankfort has met and agreed to amendment of the contract and expressed in open session on October 16, 1995 its desire to assist the Peaks Mill Water District in its efforts to provide water service and to receive the available federal funding for improvement of facilities and extension of water services to more residents of Franklin County;

NOW, THEREFORE, BE IT RESOLVED that the Chairman of the Plant Board be and is hereby directed to execute an amended contract with the District, so as to comply with all federal

requirements, including the commitment by the Plant Board that in times of shortage, the District will be treated like other customers and will receive a proportional share of the available water; and further it is resolved that the terms of the June 6, 1995 contract between the District and the Plant Board are hereby ratified, and that this resolution shall be evidence of the Plant Board's adoption and ratification of those terms and the inclusion of the necessary amendment heretofore described.

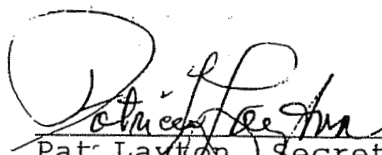
Approved in open session on the 16th day of October, 1995, upon motion made by Board Member, James D. Liebman, and seconded by Board Member, William Bearden.

ELECTRIC AND WATER PLANT BOARD
OF THE CITY OF FRANKFORT, KENTUCKY



Bruce Dungan, Chairman


ATTEST:



Pat Layton, Secretary
ELECTRIC AND WATER PLANT BOARD
OF THE CITY OF FRANKFORT, KENTUCKY

Certification

I hereby certify this to be a true and accurate copy. I am the custodian of records for the Electric and Water Plant Board of the City of Frankfort, Kentucky.



Ann B. Bohannon, Executive Assistant
Electric and Water Plant Board of the
City of Frankfort, Kentucky

#236

AGREEMENT

THIS AGREEMENT made and entered into on this the 10 day of September, 1968, by and between the ELECTRIC AND WATER PLANT BOARD OF THE CITY OF FRANKFORT, KENTUCKY, a governmental agency of the City of Frankfort, Kentucky, having the powers granted by Section 96.171 et. seq., Kentucky Revised Statutes, hereinafter referred to as "Board", and the PEAKS MILL WATER DISTRICT, a water district created and existing under the Laws of the State of Kentucky, hereinafter referred to as "District";

WITNESSETH: That the parties hereto, in consideration of the mutual duties and obligations herein created, have, and do agree as follows:

1. The Board will make available to the District water in such quantity and at such pressure as it may have in its main at the service connection at the time of use but not to exceed more than 150 gallons per minute or one million gallons per month, with, however, pumping from the main, if done by the District, done at regular pumping periods to be designated by the Board, not to exceed ten hours per day.

2. The Board under this agreement is obligated to make water available only to the facilities of the District.

3. The board in agreeing to furnish water to the District is acting on a friendly and neighborly basis and in an effort to assist the residents of the District to have water service, and agrees to release the District from this contract at any time the District desires on Sixty (60) days written notice to the Board.

4. The Board under this agreement has, and assumes no obligation whatever to furnish satisfactory quantity or pressure

for any particular service such as irrigation, fire protection, industrial or commercial use.

5. The District shall at all times pay the rates and charges for water as exist at the time of delivery under the then existing published rates, rules and regulations of the Board.

6. The water will be furnished the District through a meter or meters of the size and type specified by the Board, which shall be furnished and maintained by the District and located at such point or points as the Board shall designate on its main, which said meter or meters the Board shall have the right to inspect and test at any and all times. In the event any meter test, whether initiated by the Board or by the District, discloses any substantial error compensation payable for water delivered shall be adjusted so as to compensate for the error.

7. The obligation of the Board to supply water hereunder is further limited by the understanding that the Board shall only be required to use reasonable care and diligence in the operation and maintenance of its existing system to prevent and avoid interruptions and fluctuations in the supply, and that it cannot and does not guarantee that such interruptions and fluctuations will not occur, or that because of emergencies due to breaks, leaks, defects or necessary repairs to its facilities, or the normal demand on its system, or fires, strikes, acts of God or other causes there may not be periods during which the supply may be curtailed or interrupted; provided, however, notwithstanding a shortage by reason of any one of the above causes, if water be available to the District from the system of the Board through the aforesaid line, the Board shall in such event, furnish to the District water in such quantity as

the normal daily requirements of the District shall bear to the normal daily requirements of the Board.

8. The present published Rates, Rules and Regulations of the Board relating to water service are attached hereto and made a part hereof.

9. It is further mutually agreed and understood by and between the parties hereto that this contract is to run for a period of 20 years from the date of initial delivery of water hereunder, with an option to renew for an additional period of 20 years.

10. Service shall begin as of the date of the completion, and placing in service of the system to be constructed by the District.

11. Any successor of the Board or the District, whether the result of legal process, assignment or otherwise, shall succeed to the rights of the Board or District hereunder.

IN TESTIMONY WHEREOF, the parties hereto have caused this agreement to be executed by its duly authorized officers, on this the day and year first above written.

ELECTRIC AND WATER PLANT BOARD OF
THE CITY OF FRANKFORT, KENTUCKY

ATTEST:

J. Henry Williams
Secretary

By William P. Cestlin
Chairman

ATTEST:

Mason Bates
Secretary

PEAKS MILL WATER DISTRICT

By Richard L. Guster
Chairman

FRANKFORT ELECTRIC & WATER PLANT BOARD

FRANKFORT, KENTUCKY

RATES
WATER SERVICE

Effective December Billing Period, 1960.

Applicable to:

All water service.

<u>Rate:</u>	<u>City</u>	<u>Rural (Outside City Limits)</u>
First 5,000 gallons per month	@ \$.30 /M gal.	\$.40
Next 20,000 gallons per month	@ .20 /M gal.	.20
Next 75,000 gallons per month	@ .15 /M gal.	.15
Next 800,000 gallons per month	@ .12 /M gal.	.12
Excess	@ .10 /M gal.	.10

Minimum Bill:

5/8 and 3/4" Meters	\$ 1.00 Month	1.25
1" Meters	1.50 Month	1.50
1-1/2" Meters	2.50 Month	2.50
2" Meters	5.00 Month	5.00
3" Meters	10.00 Month	10.00
4" Meters	20.00 Month	20.00
6" Meters	30.00 Month	30.00
8" Meters	50.00 Month	50.00

Booster Pumping (Outside City) -Plus- 20% and in no case shall it be less than 3¼¢ per thousand gallons.

Fire Hydrants - Per Hydrant \$ 10.00 per year.

Sprinkler Service and Private Fire Hydrants:

	<u>Effective Date 3-1-48</u>
Size of Service - 2"	\$ 12.00 per year.
Size of Service - 4"	\$ 30.00 per year.
Size of Service - 6"	\$ 60.00 per year.
Size of Service - 8"	\$ 100.00 per year.

Terms of Payment:

The above rates are Net and apply on all bills paid within ten (10) days from date thereof. On all bills not so paid an additional charge of 10% of the amount billed will be made.

Special Provision:

Board reserves the right to curtail the use of water under unusual circumstances or emergencies.

Customer requesting water meter for Seasonal or Temporary use must pay to the Board a charge of \$100.00 for the meter installation. Rates are applicable for the succeeding twelve months period. Further, the customer shall contact the Municipal Sewer Board in regard to exemption on sewer rental and the Municipal Sewer Board shall direct the Plant Board to exempt sewer charge for such services.

Revised Sept. 19, 1968

AGREEMENT

THIS AGREEMENT made and entered into on this the 20 day of August, 1968, by and between the ELECTRIC AND WATER PLANT BOARD OF THE CITY OF FRANKFORT, KENTUCKY, a governmental agency of the City of Frankfort, Kentucky, having the powers granted by Section 96.171 et. seq., Kentucky Revised Statutes, hereinafter referred to as "Board", and the PEAKS MILL WATER DISTRICT, a water district created and existing under the Laws of the State of Kentucky hereinafter referred to as "District";

WITNESSETH: That the parties hereto, in consideration of the mutual duties and obligations herein created, have, and do agree as follows:

1. The Board will make available to the District water in such quantity and at such pressure as it may have in its main at the service connection at the time of use but not to exceed more than 150 gallons per minute or one million gallons per month, with, however, pumping from the main, if done by the District, done at regular pumping periods to be designated by the Board, not to exceed ten hours per day.

2. The Board under this agreement is obligated to make water available only to the facilities of the District.

3. The board in agreeing to furnish water to the District is acting on a friendly and neighborly basis and in an effort to assist the residents of the District to have water service, and agrees to release the District from this contract at any time the District desires on Sixty (60) days written notice to the Board.

4. The Board under this agreement has, and assumes no obligation whatever to furnish satisfactory quantity or pressure

for any particular service such as irrigation, fire protection, industrial or commercial use.

5. The District shall at all times pay the rates and charges for water as exist at the time of delivery under the then existing published rates, rules and regulations of the Board.

6. The water will be furnished the District through a meter or meters of the size and type specified by the Board, which shall be furnished and maintained by the District and located at such point or points as the Board shall designate on its main, which said meter or meters the Board shall have the right to inspect and test at any and all times. In the event any meter test, whether initiated by the Board or by the District, discloses any substantial error compensation payable for water delivered shall be adjusted so as to compensate for the error.

7. The obligation of the Board to supply water hereunder is further limited by the understanding that the Board shall only be required to use reasonable care and diligence in the operation and maintenance of its existing system to prevent and avoid interruptions and fluctuations in the supply, and that it cannot and does not guarantee that such interruptions and fluctuations will not occur, or that because of emergencies due to breaks, leaks, defects or necessary repairs to its facilities, or the normal demand on its system, or fires, strikes, acts of God or other causes there may not be periods during which the supply may be curtailed or interrupted; ~~provided, however, notwithstanding a shortage by reason of any one of the above causes, if water be available to the District from the system of the Board through the aforesaid line, the Board shall in such event, furnish to the District water in such quantity as the normal daily requirements of the District shall bear to the normal daily requirements of the Board.~~ *JK*

8. The present published Rates, Rules and Regulations of the Board relating to water service are attached hereto and made a part hereof.

9. It is further mutually agreed and understood by and between the parties hereto that this contract is to run for a period of 20 years from the date of initial delivery of water hereunder, with an option to renew for an additional period of 20 years.

10. Service shall begin as of the date of the completion and placing in service of the system to be constructed by the District.

11. Any successor of the Board or the District, whether the result of legal process, assignment or otherwise, shall succeed to the rights of the Board or District hereunder.

IN TESTIMONY WHEREOF, the parties hereto have caused this agreement to be executed by its duly authorized officers, on this the day and year first above written.

ATTEST:

J. William Williams
Secretary

ELECTRIC AND WATER PLANT BOARD OF
THE CITY OF FRANKFORT, KENTUCKY

By William P. Custer
Chairman

ATTEST:

Secretary

PEAKS MILL WATER DISTRICT

By _____
Chairman

FRANKFORT ELECTRIC & WATER PLANT BOARD
FRANKFORT, KENTUCKY

RATES
WATER SERVICE

Effective December Billing Period, 1960.

Applicable to:

All water service.

<u>Rate:</u>	<u>City</u>	<u>Rural (Outside City Limits)</u>
First 5,000 gallons per month @ \$.30 /M gal.	\$.40
Next 20,000 gallons per month @	.20 /M gal.	.20
Next 175,000 gallons per month @	.15 /M gal.	.15
Next 800,000 gallons per month @	.12 /M gal.	.12
Excess @	.10 /M gal.	.10

Minimum Bill:

5/8 and 3/4" Meters	\$ 1.00 Month	1.25
1" Meters	1.50 Month	1.50
1-1/2" Meters	2.50 Month	2.50
2" Meters	5.00 Month	5.00
3" Meters	10.00 Month	10.00
4" Meters	20.00 Month	20.00
6" Meters	30.00 Month	30.00
8" Meters	50.00 Month	50.00

Booster Pumping (Outside City) -Plus- 20% and in no case shall it be less than 3¢ per thousand gallons.

Fire Hydrants - Per Hydrant \$ 10.00 per year.

Sprinkler Service and Private Fire Hydrants:

	<u>Effective Date 3-1-48</u>
Size of Service - 2"	\$ 12.00 per year.
Size of Service - 4"	\$ 30.00 per year.
Size of Service - 6"	\$ 60.00 per year.
Size of Service - 8"	\$ 100.00 per year.

Terms of Payment:

The above rates are Net and apply on all bills paid within ten (10) days from date thereof. On all bills not so paid an additional charge of 10% of the amount billed will be made.

Special Provision:

Board reserves the right to curtail the use of water under unusual circumstances or emergencies.

Customer requesting water meter for Seasonal or Temporary use must pay to the Board a charge of \$100.00 for the meter installation. Rates are applicable for the succeeding twelve months period. Further, the customer shall contact the Municipal Sewer Board in regard to exemption on sewer rental and the Municipal Sewer Board shall direct the Plant Board to exempt sewer charge for such services.

ADDENDUM TO AGREEMENT OF AUGUST 11, 1967

That certain agreement made and entered into on August 11, 1967, by and between the ELECTRIC AND WATER PLANT BOARD OF THE CITY OF FRANKFORT, KENTUCKY, and FARMDALE WATER DISTRICT, a water district of Franklin County, Kentucky, is hereby extended to encompass the supplying of water by the board to the district in sufficient quantities for the district to provide service to a certain extension upon which construction is about to begin and that is the subject to engineering plans, studies, and specifications that have been examined by both parties.

The supplying of water to the extension of the district shall be under the same terms and conditions and subject to the same limitations as set out in the original agreement of August 11, 1967, except that limitation on the maximum gallonage to be delivered is eliminated.

As a further consideration for the supplying of water to the district for its extension mentioned herein, Farmdale Water District does hereby agree that there is a certain small area of property lying within the physical boundaries of the district in which the Electric and Water Plant Board is now providing service to certain customers and that the Electric and Water Plant Board may extend its operations within the district's territories to encompass the areas outlined on the map that is attached hereto and made a part hereof by reference,

IN TESTIMONY OF THE FOREGOING, witness the signatures of the parties at Frankfort, Kentucky, this the 13 day of May, 1974.

ATTEST:

B. B. Stange
Secretary

FARMDALE WATER DISTRICT

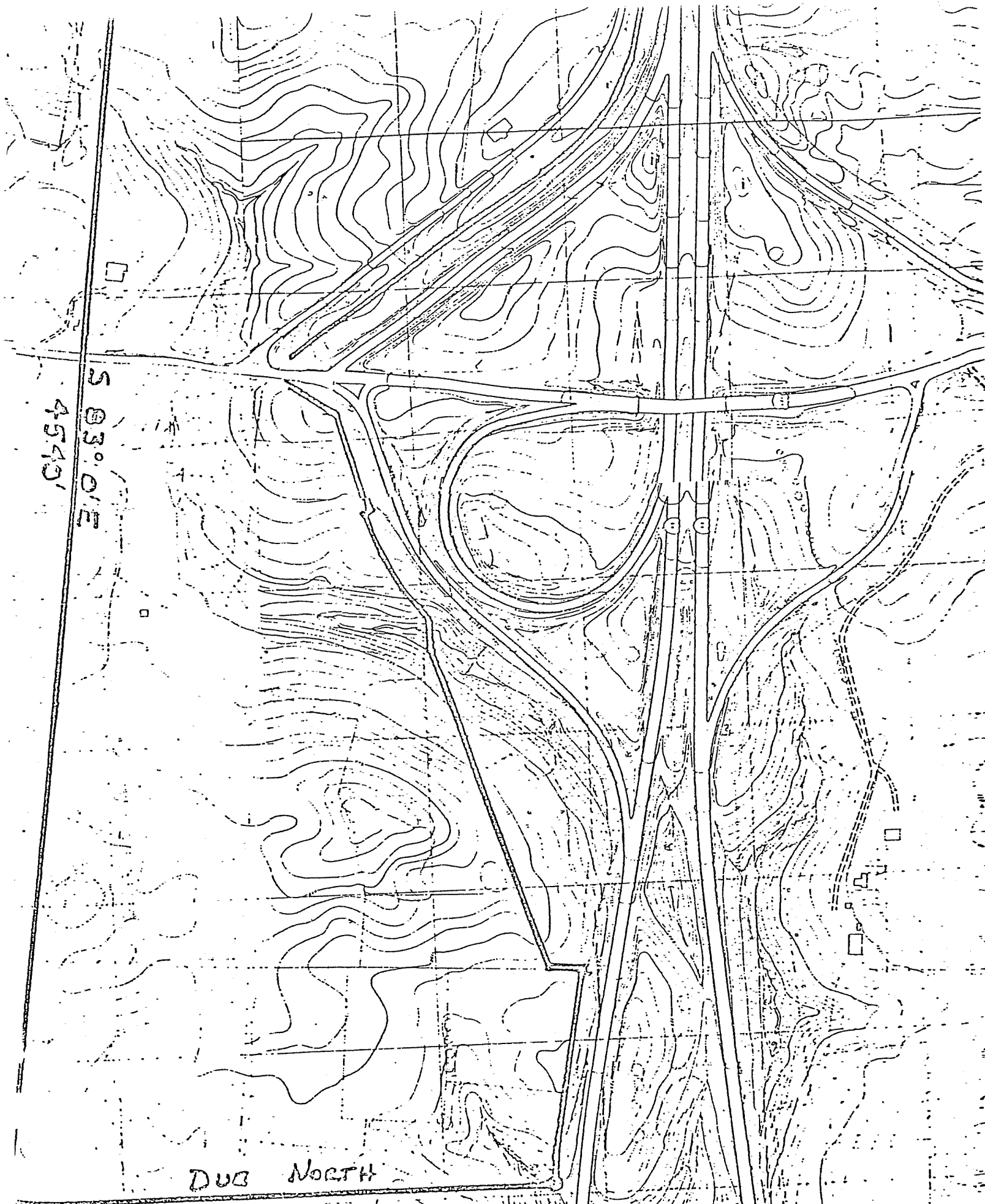
N. P. Green
By N. P. Green, Chairman

ATTEST:

R. C. Howard
Secretary

FRANKFORT ELECTRIC & WATER PLANT BOARD

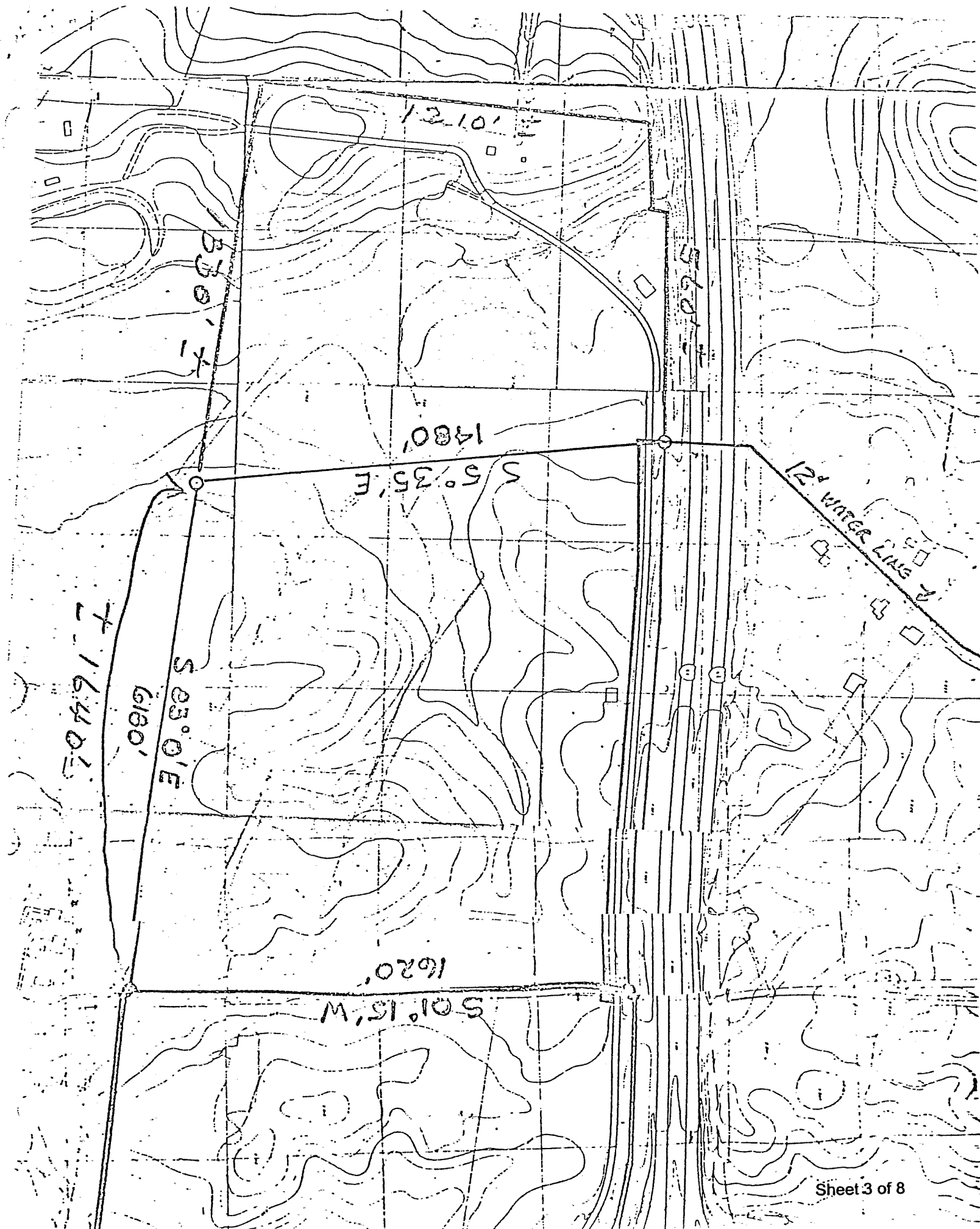
William P. Currie
By



5 03° 01' E
4549'

DUG NORTH

1750'



1310'

530' ±

560' ±

1480'

S 5° 35' E

12" WATER LING

± 1640'

6160'

S 03° 0' E

1620'

S 01° 15' W

SECOND ADDENDUM TO AGREEMENT OF AUGUST 11, 1967

That certain agreement made and entered into on August 11, 1967 by and between the ELECTRIC AND WATER PLANT BOARD OF THE CITY OF FRANKFORT, KENTUCKY, and FARMDALE WATER DISTRICT, a water district of Franklin County, Kentucky is hereby further extended by including herein the following:

1. The term of the agreement of August 11, 1967 is extended to run for twenty (20) years from the date of the first delivery of water to the District's extension with an option being granted to the District to extend the contract for an additional twenty (20) year period.

2. It is understood that the rights of the District in the original contract, the addendum of May 23, 1974 and this Second Addendum are pledged by the District to the United States of America acting through the Farmer's Home Administration of the United States Department of Agriculture as part of the security for a loan from the United States of America.

IN TESTIMONY OF THE FOREGOING, witness the signatures of the parties at Frankfort, Kentucky, this the _____ day of _____ 1974.

ATTEST:

FARMDALE WATER DISTRICT

Secretary

By N. P. Green, Chairman

ATTEST:

FRANKFORT ELECTRIC & WATER BOARD

Secretary

By:

A G R E E M E N T

THIS AGREEMENT made and entered into on this the 11th day of August, 1967, by and between the ELECTRIC AND WATER PLANT BOARD OF THE CITY OF FRANKFORT, KENTUCKY, a governmental agency of the City of Frankfort, Kentucky, having the powers granted by Section 96.171 et. seq., Kentucky Revised Statutes, hereinafter referred to as "Board", and the FARMDALE WATER DISTRICT, a water district created and existing under the Laws of the State of Kentucky, hereinafter referred to as "District";

WITNESSETH: that the parties hereto, in consideration of the mutual duties and obligations herein created, have, and do agree as follows:

1. The Board will make available to the District water in such quantity and at such pressure as it may have in its main at the service connection at the time of use but not to exceed more than 150 gallons per minute or one million gallons per month, with, however, pumping from the main, if done by the District, done at regular pumping periods to be designated by the Board, not to exceed ten hours per day.
2. The Board under this agreement is obligated to make water available only to the facilities of the District.
3. The Board in agreeing to furnish water to the District is acting on a friendly and neighborly basis and in an effort to assist the residents of the District to have water service, and agrees to release the District from this contract at any time the District desires on Sixty (60) days written notice to the Board.
4. The Board under this agreement has, and assumes no obligation whatever to furnish satisfactory quantity or pressure for any particular service such as irrigation, fire protection, industrial or commercial use.
5. The District shall at all times pay the rates and charges for water as exist at the time of delivery under the then existing published rates, rules and regulations of the Board.

6. The water will be furnished the District through a meter or meters of the size and type specified by the Board, which shall be furnished and maintained by the District and located at such point or points as the Board shall designate on its main at or near end of 12 inch main south of right-of-way of Highway I-64, in Franklin County, Kentucky, which said meter or meters the Board shall have the right to inspect and test at any and all times. In the event any meter test, whether initiated by the Board or by the District, discloses any substantial error compensation payable for water delivered shall be adjusted so as to compensate for the error.

7. The obligation of the Board to supply water hereunder is further limited by the understanding that the Board shall only be required to use reasonable care and diligence in the operation and maintenance of its existing system to prevent and avoid interruptions and fluctuations in the supply, and that it cannot and does not guarantee that such interruptions and fluctuations will not occur, or that because of emergencies due to breaks, leaks, defects or necessary repairs to its facilities, or the normal demand on its system, or fires, strikes, acts of God or other causes there may not be periods during which the supply may be curtailed or interrupted; provided, however, notwithstanding a shortage by reason of any one of the above causes, if water be available to the District from the system of the Board through the aforesaid line, the Board shall in such event, furnish to the District water in such quantity as the normal daily requirements of the District shall bear to the normal daily requirements of the Board.

8. The present published Rates, Rules and Regulations of the Board relating to water service are attached hereto and made a part hereof.

9. It is further mutually agreed and understood by and between the parties hereto that this contract is to run for a period of 20 years from the date of initial delivery of water hereunder, with an option to renew for an additional period of 20 years.

10. Service shall begin as of the date of the completion and placing in service of the 12 inch main to be constructed by the parties from the intersection of Glenwood Drive and U. S. Highway No. 127.

11. Any successor of the Board or the District, whether the result of legal process, assignment or otherwise, shall succeed to the rights of the Board or District hereunder.

IN TESTIMONY WHEREOF, the parties hereto have caused this agreement to be executed by its duly authorized officers, on this the day and year first above written.

ATTEST:

7. Merwin Williams
Secretary

ELECTRIC AND WATER PLANT BOARD OF
THE CITY OF FRANKFORT, KENTUCKY

By William P. Cason
Chairman

ATTEST:

B. H. Strong
Secretary

FARMDALE WATER DISTRICT

By J. P. Brown
Chairman

FRANKFORT METROPOLITAN WATER PLANT BOARD

FRANKFORT, KENTUCKY

PLANT
WATER SERVICEEffective December Billing Period, 1958.Applicable to:

All water service.

<u>Rate:</u>	<u>City</u>	<u>Rural (Outside City Limits)</u>
First 5,000 gallons per month	@ \$.30 /M gal.	\$.40
Next 20,000 gallons per month	@ .20 /M gal.	.20
Next 175,000 gallons per month	@ .15 /M gal.	.15
Next 800,000 gallons per month	@ .12 /M gal.	.12
Excess	@ .10 /M gal.	.10

Minimum Bill:

5/8 and 3/4" Meters	\$ 1.00 Month	1.25
1" Meters	1.50 Month	1.50
1-1/2" Meters	2.50 Month	2.50
2" Meters	5.00 Month	5.00
3" Meters	10.00 Month	10.00
4" Meters	20.00 Month	20.00
6" Meters	30.00 Month	30.00
8" Meters	50.00 Month	50.00

Booster Pumping (Outside City) -Plus- 20% and in no case shall it be less than 3¢ per thousand gallons.

Fire Hydrants - Per Hydrant \$ 10.00 per year.

Sprinkler Service and Private Fire Hydrants:

	<u>Effective Date 3-1-48</u>
Size of Service - 2"	\$ 12.00 per year.
Size of Service - 4"	\$ 30.00 per year.
Size of Service - 6"	\$ 60.00 per year.
Size of Service - 8"	\$100.00 per year.

Terms of Payment:

The above rates are Net and apply on all bills paid within ten (10) days from date thereof. On all bills not so paid an additional charge of 1% of the amount billed will be made.

Special Provision:

Board reserves the right to curtail the use of water under unusual circumstances or emergencies.

Customer requesting water meter for Seasonal or Temporary use must pay to the Board a charge of \$100.00 for the meter installation. Rates are applicable for the succeeding twelve months period. Further, the customer shall contact the Municipal Sewer Board in regard to exemption on sewer rental and the Municipal Sewer Board shall direct the Plant Board to exempt sewer charge for such services.

AGREEMENT FOR FRANKFORT TO PROVIDE GEORGETOWN
WITH ALTERNATIVE WATER SOURCE

THIS AGREEMENT made and entered into this 23rd day of April, 1990, by and between THE ELECTRIC & WATER PLANT BOARD of the CITY OF FRANKFORT, KENTUCKY, hereinafter called "Plant Board" and the GEORGETOWN MUNICIPAL WATER AND SEWER SERVICE OF GEORGETOWN, KENTUCKY, hereinafter called "Georgetown Water Service".

WHEREAS, the Georgetown Water Service has a need for an alternative water supply; and,

WHEREAS, an Engineering Study indicated the present abundance of Frankfort's water supply, subject to continuing adequate Kentucky River flow, and Plant Board's substantial unused treating and pumping capacity; and

WHEREAS, Plant Board recognizes that potential economies may be gained by existing Plant Board customers through sale by the Plant Board of additional water to Georgetown Water Service pursuant to the terms, tenor, limitations and conditions of this Agreement; and

WHEREAS, the location of the proposed facilities required for sale and delivery of water by the Plant Board to Georgetown Water Service are generally shown on a map marked Exhibit A herewith.

NOW, THEREFORE, in consideration of the mutual covenants and conditions herein contained, the parties do now agree as follows:

1. Georgetown Water Service will construct at its sole expense from its system at the Scott County-Franklin County Line to the Intersection of U.S. 421 to Duckers Station Road a 16 inch water line from its System to Plant Board's System at the Intersection of U.S. 421 with Duckers Station Road; provided, however, the Plant Board, if it wants class 52 pipe instead of class 50 pipe, shall pay the difference in pipe costs for the portion of said line covered by paragraph 12 hereof. Georgetown Water Service will procure at its sole expense all necessary rights-of-way and permits for such construction.
2. Plant Board will enlarge its System by constructing a 16 inch water line from the existing 16 inch water line at the intersection of U.S. 421 & Taylor Tot Road eastwardly along U.S. 421 to its

intersection with the Duckers Station Road.

3. Georgetown Water Service agrees to pay the Plant Board for installation costs associated with approximately 4,500 feet more or less of 16 inch water line from Taylor Tot Road to Chenault Road at an estimated cost of \$175,000.00. If the Plant Board should choose to use a less direct route for this water line then the Plant Board will bear cost associated with the additional length.
4. Georgetown Water Service agrees to pay the Plant Board the difference between the cost of a 16 inch water line, including fittings, valves and accessories, and a 12 inch water line, including fittings, valves and accessories, from the north end of Chenault Road eastwardly along U.S. 421 to its intersection with Duckers Station Road. The cost difference for approximately 6,000 feet more or less of line is estimated to be \$50,000.00.
5. Georgetown Water Service shall design, construct, own and maintain a pump station to be constructed near U.S. 460 and near the Franklin-Scott County line at a site to be determined by agreement of both parties.
 - a. The metering point will be located inside the pump station. Georgetown Water Service will pay for all metering facilities which metering facilities will be purchased and installed by the Plant Board. The Plant Board will own and maintain all such metering facilities, as well as the adjacent double check valve assembly adjacent to the pump station.
 - b. Georgetown Water Service will install at its sole expense, in accordance with the Plant Board specifications, the double check valve assembly in the outside vault adjacent to the pump station. With the exception of the metering equipment, the ownership of facilities by the Plant Board will end on the effluent side of the double check valve assembly. The double check valve assembly is to be installed adjacent to and on the influent side of the pump station.
 - c. No taps shall be made between the effluent side of the double check valve assembly and effluent side of pump or pumps.
6. The Plant Board agrees to a target date for

connecting the two water systems which shall be approximately 120 days from the issuance of a work order by the Plant Board. Both parties agree to use reasonable diligence in pursuing the required construction and to coordinate the same with construction required by the other party.

AP

AP

7. The Plant Board agrees to supply 1,000,000 gallons of water per day and an additional 1,300,000 gallons of water per day if the same is readily available but in no event shall the Plant Board be required to supply water if to do so would adversely affect the Plant Board's present or future capability to meet the demands of its existing customers and present service areas. The Plant Board will not be responsible for interruptions in service beyond its reasonable control, and it shall have the right upon notice to interrupt water supply to Georgetown Water Service, if necessary, to make repairs to its water system; and further, in the event of interruption in service and in order to meet the demands of its customers, the Plant Board reserves the right to require the Georgetown Water Service to pump only during off-peak hours.

8. Nothing in this Agreement shall be construed to obligate the Plant Board to maintain any particular water pressure in its lines serving Georgetown Water Service. The water pressure within the Georgetown Water Service system shall be its sole responsibility.



9. Rates and conditions of service to Georgetown Water Service shall be at all times under the Prevailing Rates, Rules and Regulations as promulgated and adopted from time to time by the Plant Board. The rates charged Georgetown Water Service will be in accordance with the existing rate schedule applicable to all Plant Board water users except that a minimum consumption of 255,000 gallons per day will be required. A minimum monthly bill will be based on this required daily minimum of consumption. Plant Board's rate schedule is subject to periodic adjustment to reflect changes in the cost of service. A copy of such Rates, Rules and Regulations, presently existing, is attached hereto as a part hereof marked Exhibit B.



10. The initial term of this Agreement shall be for ten (10) years from the date water is first supplied under this Agreement. This Agreement shall be automatically extended for one additional ten (10) year term after the initial ten (10) year

term unless Georgetown Water Service notifies the Plant Board in writing at least six (6) months before the end of the initial ten (10) year term that this Agreement shall not be extended. Upon the giving of such written notice, this Agreement shall terminate at the end of such original ten (10) year term, but otherwise this Agreement shall terminate twenty (20) years after commencement of the original term.

- a. Nothing in this Agreement shall be construed to obligate Plant Board at the end of the term of this Agreement to enter into any other Agreement with Georgetown Water Service for water.
11. Georgetown Water Service agrees to advance to Plant Board at the time of signing this Agreement the sum of \$225,000, required by Paragraphs 3 and 4 of this Agreement.
- a. If the estimated cost advanced is greater than the actual cost, the Board shall upon completion of the installation promptly refund such excess, if any, to the Georgetown Water Service.
 - b. If the estimated cost is less than the actual cost advanced, the Georgetown Water Service shall promptly pay to Plant Board prior to the inauguration of any service, the additional cost. The Plant Board agrees to advise Georgetown Water Service should it appear that actual cost will substantially exceed the estimated cost advanced.
12. The section of the water line constructed by the Georgetown Water Service from the intersection of U.S. 421 and the Duckers Station Road to the effluent side of the double check valve assembly located adjacent to the influent side of the pump station, including the double check valve assembly, when completed shall become the property of the Plant Board and be tested and maintained by the Plant Board as a part of its System.
- a. Plant Board shall have the right to make or permit to be made extensions to water lines which will become part of the Plant Board System. Such extensions shall include taps and tie-ins, and no consent from Georgetown Water Service shall be required for such

extensions, taps or tie-ins.

- b. Georgetown Water Service agrees to execute and deliver all instruments of writing required to complete the transfer of the facilities described in this Paragraph 12 to the Plant Board so as to vest the ownership and title to such facilities in the Plant Board.
13. The Plant Board must approve the design of the portion of the line covered by paragraph 12 hereof. In the event the Plant Board finds it necessary or desirable to install or have the Georgetown Water Service install for the Plant Board's own use additional fittings and valves (i.e. "tee" and valve or "cross" and valve) to any of the facilities so constructed, the same shall be at the cost (materials and labor) of the Plant Board. The Plant Board has the right during construction to inspect the portion of the line covered by Paragraph 12. The Georgetown Water Service will designate a contact person for the Plant Board's inspector. The Plant Board inspector will not interfere with construction of the water line. If the inspector in anyway has a problem with the installation he will contact the Georgetown Water Service Contact Person and the matter resolved as quickly as possible.
14. In the event any occurrence, condition or circumstance leads the Plant Board to request voluntary curtailment of water consumption or to impose mandatory curtailment of water consumption with respect to the Plant Board's own water users, Georgetown Water Service will make the same request for voluntary curtailment of consumption or will impose the same mandatory curtailment of water consumption, upon its water users, to the end that wholesale water users of the Plant Board and water users of Georgetown Water Service will be treated alike with respect to curtailment of water consumption, and Georgetown Water Service will cooperate fully in taking the same character of enforcement action as the Plant Board takes with respect to any such request or mandate.
15. This Agreement constitutes the entire Agreement between the Parties and prior negotiations and understandings are hereby superceded by this Agreement. No amendment or alteration to this Agreement shall be valid or binding unless reduced in writing and signed by both parties.
16. This Agreement shall be governed by the Laws of the Commonwealth of Kentucky and in the event of litigation, the same shall be brought in the Franklin Circuit Court of the Commonwealth of Kentucky. The parties expressly agree that the prevailing party shall recover from the other party, in addition to taxable costs, all reasonable expenses and all reasonable attorney

fees incurred in connection of said litigation.

- 17. In the event of any emergency affecting the ability of the Plant Board to supply water as provided herein, the Georgetown Water Service agrees to provide materials, labor and treated water to the Plant Board when and where available to assist in such emergency, with any and all costs for same to be reimbursed by the Plant Board upon receipt of appropriate billing for same.

ELECTRIC AND WATER PLANT BOARD
OF THE CITY OF FRANKFORT,
KENTUCKY

BY: Bruce Dungan
BOARD CHAIRMAN

ATTEST:

[Signature]

GEORGETOWN MUNICIPAL WATER
AND SEWER SERVICE

BY: OW Lamasto
BOARD CHAIRMAN

ATTEST:

[Signature]

0681L

RESPONSE TO PSC

PSC CASE NO. 2008-00250

ITEM 29

Frankfort Electric and Water Plant Board
Response to PSC Order Dated: 7-2-2008
Case No. 2008-00250

ITEM 29: Annual effect of proposed rate adjustments

Response: (a) (b) Annual expected increase for wholesale customers is \$220,515. Our budgeted revenue for wholesale customers for the 08-09 fiscal year is \$1,199,198 at current rates and \$1,419,713 at the proposed rates. This follows the budget assumption that wholesale customers will purchase 779,206,000 gallons of water in 08-09.