

MEMORANDUM OF AGREEMENT
BETWEEN
COMMUNITY ACTION COUNCIL FOR LEXINGTON-FAYETTE,
BOURBON, HARRISON AND NICHOLAS COUNTIES
AND
KENTUCKY-AMERICAN WATER COMPANY

This agreement describes the entire agreement between Community Action Council for Lexington-Fayette, Bourbon, Harrison and Nicholas Counties (hereinafter "Community Action Council"), P.O. Box 11610, Lexington, Kentucky 40576, and Kentucky-American Water Company (hereinafter "KAWC"), 2300 Richmond Road, Lexington, KY 40502 concerning KAWC's participation in the Water for Life program (hereinafter "Program") to provide water related payment assistance to low-income households in the counties served by KAWC.

1. KAWC will, in such manner and to such extent it may deem appropriate, notify its customers of the opportunity to contribute to the Program, and collect and submit to Community Action Council all contributions received from its residential customers. KAWC also may contribute such other amounts to the Program as it may from time to time elect to provide; and KAWC will report to Community Action Council and the general public at least annually on its activities under the agreement.
2. Community Action Council will administer, distribute and apply funds received under the Program, for payment of KAWC bills of low-income families for which KAWC provides service.
3. Community Action Council will implement the Program as follows:
 - a) Administer the program within all counties of the KAWC service territory: Fayette, Bourbon, Clark, Harrison, Jessamine, Scott and Woodford counties;
 - b) Establish a working relationship with compatible agencies in KAWC's service area to facilitate delivery of the Program to eligible customers of KAWC not served by Community Action Council directly;
 - c) Establish minimum eligibility guidelines and procedures for the provision of assistance; and review and approve such eligibility guidelines and procedures with KAWC to ensure that limited funds will assist those with the greatest need;
 - d) Review and monitor all assistance payments made to ensure compliance with this agreement and the eligibility and such other guidelines as KAWC and Community Action Council may establish.
 - e) Coordinate assistance activities with the Lexington-Fayette Urban County Government's Adult Services Division utility assistance programs and other similar programs, as applicable;
 - f) Apply 15% of donated funds to administrative expenses incurred in the implementation of the Program;
 - g) Use any income earned on the funds it receives, in accordance with the following priorities:
 - (1) for the payment of administrative costs associated with its activities;

- (2) for reimbursement of operating costs;
 - h) Report at least annually to KAWC and to the general public on its activities, including program data for all counties served by the Program;
 - i) Conduct its affairs in compliance with all applicable Federal, State and Local laws and regulations, and those of the Internal Revenue Service governing charitable nonprofit organizations;
 - j) Bond its officers, employees or agents responsible for the receipt and disbursement of all funds received.
4. Both Community Action Council and KAWC will cooperate in informing the general public and other interested parties about the program described in this agreement. The assistance program will be offered to all KAWC residential customers and applications will be taken at Community Action Council's facilities in Lexington including the Council's central office at 913 Georgetown Street in Lexington. Every effort will be made to coordinate with Lexington-Fayette Urban County Government's utility assistance programs. As stated in 3a, above, Community Action Council will contract with community organizations to allow customers to apply for assistance in counties outside of Community Action Council's core service territory.
5. Either party may at any time, on written notice to the other, terminate this agreement, effective ten (10) days after the date of such notice. Any contributions received by KAWC after the date of termination will be, at KAWC's option, submitted to the Program or refunded to the contributing customers.

Kentucky-American Water Company

**Community Action Council for
Lexington-Fayette, Bourbon,
Harrison and Nicholas Counties**

By: 
Signature

By: 
Signature

Name: Herbert A. Miller, Jr.

Name: Jack E. Burch

Title: Vice-President

Title: Executive Director

Date: 9-11-00

Date: AUG 18 2000